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Turks and Caicos Islands

Working paper prepared by the Secretariat*

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* The information in the present paper will be updated and supplemented by the report of the visit of the Special Committee to Turks and Caicos Islands, which is scheduled from 2 to 7 April 2006.



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I. General

1. The Territory of the Turks and Caicos Islands¹ comprises 40 islands and cays, which lie 145 kilometres north of Haiti and the Dominican Republic and 925 kilometres south-east of Miami, United States of America. Of these islands, only six are permanently inhabited: Grand Turk, where the capital, Cockburn Town, is located; Salt Cay; South Caicos; Middle Caicos; North Caicos; and Providenciales. In 2004, the total population of the Territory was estimated at 26,000, including some 8,000 to 10,000 immigrants from Haiti and the Dominican Republic, attracted by job opportunities in tourism and construction. Approximately 11,000 are "belongers", citizens of the Turks and Caicos Islands who have the right to vote in general elections. Around 19,000 people live on Providenciales, which is the business and tourism centre of the Territory. The administrative capital, Grand Turk, has a population of about 4,000. Most of the population are of African descent, the rest being of mixed or European origin. English is the main language, with some Creole spoken by Haitian immigrants. The main religion is Christianity.

2. The Turks and Caicos Islands were discovered by the Spanish in 1512. In 1678, Bermudans established a salt industry. The islands were settled by royalist sympathizers from the United States after the War of Independence; they established cotton plantations, sustained with slave labour. Between 1833 and 1843, slavery was abolished and the plantation owners left the islands, leaving their former slaves in possession. From 1874 to 1959, the Turks and Caicos Islands were governed by the United Kingdom of Great Britain and Northern Ireland as a dependency of Jamaica. The islands became a separate colony of the United Kingdom in 1962, under the control of the Bahamas. When the Bahamas achieved independence in 1973, the Turks and Caicos were placed under a British Governor stationed on Grand Turk.

II. Constitutional, legal and political issues

3. The Turks and Caicos Islands is a Non-Self-Governing Territory of the United Kingdom with a ministerial system of government. Under the provisions of the 1976 Constitution, amended in 1988, executive power is vested in the Governor, appointed by the Queen. The Constitution provides for an Executive Council and a Legislative Council. The Governor is responsible for foreign affairs, internal security, defence, the appointment of public officers, offshore finance and certain other matters, but is otherwise required to act on the advice of the Executive Council. The Executive Council consists of the Governor, six elected members of the Legislative Council appointed by the Governor (the Chief Minister and his five Ministers) and two ex officio members (the Chief Secretary and the Attorney General). The Legislative Council consists of 19 members: the Speaker, 13 representatives elected by popular vote, 3 appointed by the Governor (one of these on the advice of the Chief Minister and one on the advice of the Leader of the Opposition) and the 2 ex officio members of the Executive Council. The Speaker is appointed on the advice of the governing party.

4. The current Governor is Richard Tauwhare, who was sworn in to office on 11 July 2005.

5. The legal system, based on English Common Law, includes a Supreme Court and a Court of Appeal, and has provision for appeal to the Privy Council in London.

6. There are two main political parties in the Territory: the People's Democratic Movement (PDM) and the Progressive National Party (PNP), formed in 1975 and 1980, respectively. The most recent general election was held on 24 April 2003, with a turnout of 86 per cent. The then governing party, PDM, won 50.2 per cent of the vote, the opposition PNP 49.8 per cent. In August 2003, by-elections were held in two constituencies following a successful petition to the Supreme Court by PNP alleging maladministration in the registration of electors in the general election. The new elections were supervised by independent observers from the United Kingdom. As a result of the by-election, PNP gained an 8 to 5 majority of the elected members of the Legislative Council. Michael Misick, the leader of the party since 2002, became Chief Minister on 13 August 2003.

7. As reported previously (A/AC.109/2004/16, para. 9), the British Overseas Territories Act 2002 provided for the right to British citizenship of the citizens of all United Kingdom Territories, including the Turks and Caicos Islands.

8. The Turks and Caicos Islands are currently in the midst of a constitutional reform process, which began in April 2002 when a local constitutional review body was appointed by the Governor. In September 2002, the body issued its constitutional modernization review report. Many of the public concerns reflected in the report's recommendations were related to limiting the powers of the Governor. In particular, it recommended that the leaders of the ruling party and the opposition should be consulted on the candidature of the Governor; that some of the powers of the Governor should be transferred to Ministers; that a permanent Deputy Governor position should be established; and that the scope of issues where the Governor had to consult the Executive Council should be expanded. The report also made recommendations with respect to the executive, legislative and judicial organs of the Territory, including the addition of one ministerial post, and more frequent or regular meetings of those bodies, in particular the Court of Appeal. The recommendations concerning the public service were mostly designed to ensure stronger influence and representation of territorial interests vis-à-vis the Governor. In addition, the report outlined recommendations on the fundamental rights and freedoms of the individual to bring them into conformity with European conventions on human rights. In particular, the establishment of a human rights commission was recommended.

9. As regards the future constitutional status of the Territory, the report indicated that during the meetings a number of participants had advocated full internal self-government. The report noted, however, that once the members of the review body had explained that a decision to advance full internal self-government would have to be accompanied by the setting of a timetable for independence, enthusiasm for the proposal dissipated. According to the review body, no one expressed any support for independence.

10. During the discussion of the report by the Legislative Council in October 2003, the Chief Minister suggested a bipartisan approach, with a view to going to the constitutional talks with the British Government with a common position. In July 2004, a delegation of senior officials from the British Government held constitutional talks with the Chief Minister and the Cabinet in the Turks and Caicos Islands. The delegation held separate talks with the opposition PDM, following the latter's decision not to take part in joint talks with the governing PNP. The Chief Minister noted afterwards that the Territorial and British delegations had been

unable to agree on some of the more difficult points. He added that his Government was aware of the path it must plot on the way to full internal self-government and the ultimate goal of full sovereignty.² The Chief Minister had a further meeting in London in September 2004 with the British Foreign Office Minister responsible for the Overseas Territories.

11. In 2004, there were numerous reports in the local and Canadian press about the proposals tabled in the Parliament of Canada to establish a political and economic association between Canada and the Turks and Caicos Islands. At the beginning of 2004, the member of the Canadian Parliament who had initiated the proposal met with the Governor of the Territory and the Chief Minister to discuss the relationship between the two entities. According to Canadian sources, in view of Canada's business and trade interests in the Turks and Caicos Islands, coupled with the general preference of the population of the Territory to remain within the Commonwealth, Canada had become the preferred country of association.³ There were no significant developments on the issue in 2005. The Government of Turks and Caicos has indicated that it intends to continue exploring with the newly elected Canadian Government the option of free association, in accordance with General Assembly resolution 1541 (XV).

12. In May 2005, a delegation from the Turks and Caicos Islands, headed by Chief Minister Michael Misick, attended the Caribbean regional seminar on the implementation of the second Decade for the Eradication of Colonialism, held in Saint Vincent and the Grenadines. In his address (A/60/23, chap. II, annex), he stated that his Government was not content with the relationship and constitutional arrangement with the United Kingdom. His Government had come into office with a mandate for economic as well as political change. The Constitutional Commission had submitted its report almost two years earlier, and while they had had two further meetings with United Kingdom officials on the matter, the talks seemed stalled. Furthermore, in the talks that had taken place, it did not appear to his Government that there was a sincere willingness or effort to negotiate in good faith a new constitutional arrangement that reflected the full aspirations of the Turks and Caicos people, as it had been reflected in their vote in the 2002 election and the Constitutional Commission recommendations. The Chief Minister therefore called upon the Special Committee to use its influence to encourage the Government of the United Kingdom to meet its responsibilities to its territories, which aspired to be decolonized and to assist them in doing so, and not to tell them, as they had done in the past, to accept the status quo or to jump to independence, without offering a parachute. The Chief Minister believed that was a direct violation of the human rights and dignity of the people of the Turks and Caicos Islands. A reasonable period of full internal self-governance was the parachute they were seeking, a period to put in place the necessary institutions to ensure the protection of human rights, democratic principles, independence of the judiciary and good governance, among others, in a new State.

13. Following the seminar held in Saint Vincent and the Grenadines in July 2005, the Chief Minister of the Turks and Caicos Islands officially invited the United Nations Special Committee on decolonization to visit the territory to view the political and economic situation on the ground and to hold private and public meetings on the questions of decolonization and self-determination. After consultation with the administering Power and exchanges of letters, it was agreed that such a visit would be made from 2 to 7 April 2006.

14. The request that the constitutional talks be resumed as soon as possible was reiterated by the Chief Minister in July 2005, on the occasion of the swearing-in ceremony of the new Governor.⁴ The talks resumed two and a half months later, when a delegation headed by the Chief Minister met in London with the Foreign Office Minister for the Overseas Territories, Lord Triesman, on 3 and 4 October 2005. According to the administering Power, the talks were based on the 2002 report, built on progress achieved in two earlier rounds of discussions in 2004, and reached agreement on all outstanding issues. Following the meeting the Foreign Office Minister said that "These were direct and productive talks, in which the Turks and Caicos Government had made its case strongly for a modernized constitution". He was very satisfied with the result, which he saw as an excellent outcome, representing a genuine modernization of the Turks and Caicos Islands' constitution, while protecting the United Kingdom Government's essential interests. The consultation process, and subsequent debate in the Legislative Council, were important so that the extent of support for constitutional modernization could be robustly demonstrated.

15. On 5 October 2005, the Chief Minister issued a press release noting that the talks had successfully concluded with an historic agreement for an advanced constitution for Turks and Caicos. He added that tripartite talks between the Turks and Caicos Government, the opposition and United Kingdom Government officials had been ongoing for a number of years and that it was "regrettable that at the last minute the opposition People's Democratic Movement decided not to attend the final talks in London and as such abandon(ed) the quest for an advancement of (the) constitution". He went on to say that the negotiations had produced "a modern constitution for the people of Turks and Caicos that reflect(ed) the modern relationship between the two countries".⁵

16. The agreement reached in London envisaged the drafting of a new constitution by officials of the Foreign and Commonwealth Office that would be provided to the Turks and Caicos Government and the opposition for their comments. Afterwards the text would be circulated among the general public to acquaint them with its provisions. The consultative process would then proceed with a debate on the new text in the Legislative Council. It was anticipated that much of the process would take place in early 2006.

17. According to Government sources in the Islands, in March 2006, in keeping with the arrangements detailed above, the Turks and Caicos Government received a first draft of the new Constitution from the Foreign and Commonwealth Office and sent it back to London with comments from the Government and the Opposition. Once a final draft was received, public discussions will be held throughout the Islands in April and May to familiarize the people with its provisions, followed by a debate in the Legislative Council. It is hoped that some aspects of the new Constitution will be enacted towards the middle of 2006. The Government of Turks and Caicos sees constitutional modernization as a first step in a process towards full internal self-government that will culminate in independence.

18. According to the administering Power, throughout the negotiations the British Government made it clear that it would give careful consideration to any proposals put to them, within the framework of promoting the maximum degree of local self-government. However, as long as the Turks and Caicos Islands chose to maintain their link with the United Kingdom, the British Government maintained that it must

retain sufficient reserve powers to ensure that it could fulfil its international obligations and protect itself against contingent liabilities.

III. Economic conditions

A. General

19. Since the 1980s, the main sectors of the economy have been upmarket tourism and international financial services. Foreign investors, mainly from Canada, the United Kingdom and the United States, play a significant role in the Islands' economic life. The main areas of private investment are tourism, property development and real estate, international finance and fishing. The main focus of investment activity is the island of Providenciales. The Government levies no taxes on corporate or personal income, capital gains or inheritance.

20. The United States dollar is the official currency of the Turks and Caicos Islands. The average gross domestic product (GDP) is estimated to have risen from \$69 million in 1990 to about \$250 million in 2004. Although unemployment never fell below 12 per cent during that time and growth was unevenly distributed among the constituent islands, the economic well-being of the population improved considerably. In October 2005, the Caribbean Development Bank provided technical assistance to strengthen the Territory's system of national accounts, to enable it to produce more reliable estimates of GDP, required for effective economic and social planning.⁶

21. Until recently, only multinational banks operated in the Territory's domestic banking sector. However, on 19 April 2005, the Minister of Finance announced that the Government had successfully concluded arrangements for the creation of a national bank to be known as TCI Bank Limited, to be established on Providenciales with equity participation from the Government, the National Insurance Board and a consortium of banks from the Eastern Caribbean. At the official opening of the bank in December 2005, the Minister noted that some 50 per cent of the senior managers of the bank would be nationals, while 70 per cent of the shares would be reserved for local companies and individual investors.⁷

B. Budget

22. The budget is projected on a triennial basis, with annual revisions. The fiscal year begins in March. The estimated recurrent revenue for the 2004/05 period was \$117.6 million, while total recurrent expenditure was \$122.2 million. In 2004/05, the Government collected 36.3 per cent of its revenues from import duties; 16.6 per cent from stamp duty on property sales; 8.9 per cent from hotel and restaurant taxes; and 8.1 per cent from work permit fees. Its recurrent expenditures were projected at 31 per cent for health and national insurance; 21 per cent for development, tourism and district administration; 18 per cent for education, youth and sports; 9 per cent for communications, public works and utilities; 7 per cent for police; 5 per cent for social services; and 9 per cent for other activities.

23. The Budget address presented on 19 April 2005 by the Minister of Finance was entitled "Consolidated policy measures to finance our development agenda".⁸

The Minister noted that the Turks and Caicos Islands were on a firm financial footing with a buoyant economy. He said that the recurrent revenue for 2005/06 was estimated conservatively at \$127.5 million, a 1 per cent increase over the previous year. In addition, the recurrent surplus on the consolidated fund was estimated to be \$4.6 million at the end of the 2005/06 period. Development expenditure for 2005/06 was costed at \$80.4 million, of which \$22 million would be locally financed.

24. While the overall economy of the Territory has made great progress over the past 20 years, the Government has acknowledged the need to address considerable imbalances among the various islands and social groups. In October 2005, the Government officially launched preparations for a 10-year national development plan, to be implemented in three-year stages. The Chief Minister described the plan as being about the legacy and type of Turks and Caicos Islands that we will leave behind for our children and grandchildren. In the first nine-month phase, it is foreseen that workshops will be held to incorporate the views of the people of Turks and Caicos regarding development priorities. A steering committee and Island and sectoral subcommittees will then work together on development plans before they are presented to the Executive Council.⁹

25. In recent years, the Turks and Caicos Islands have also received funding from the European Union and multilateral agencies. In November 2004, the Government signed an agreement with the European Commission that gave the Territory access to grants of over \$12 million to cover transport development projects to be implemented between 2005 and 2008. In October 2004, the Government announced that it had secured permission from the United Kingdom to borrow up to \$28 million from Caribbean banks to undertake infrastructure projects.¹⁰

C. Financial services

26. Offshore financing, including company registration, trust business and insurance, is the second largest source of external revenue after tourism and the third largest employer in the Turks and Caicos Islands. It contributes approximately 10 per cent to GDP. More than 17,000 major international accounting and financial service companies operate out of the Islands.

27. According to the administering Power, constitutional responsibility for the Territory's offshore finance sector rests with the Governor, although the Turks and Caicos Islands Government assumed responsibility for the cost of the Superintendent of Banking in 2003. The regulatory structure set up through the Banking Ordinance of 1979 and the Companies and Insurance Ordinance of 1981 was updated and extended in 1990 and 1992. Among the attractions for offshore companies are the use of the United States dollar as the official currency, the absence of direct taxation, a growing financial infrastructure, fast and straightforward company registration procedures, extensive financial freedom and confidentiality.

28. The Territory has made considerable efforts to maintain the reputation of its financial services industry, which was among the 35 jurisdictions listed in 2000 by the Organization for Economic Cooperation and Development (OECD) as tax havens, but was removed in 2002 after committing to adhere to the OECD principles of transparency and effective exchange of information by the end of 2005.

29. Another taxation issue that had an impact on the Turks and Caicos Islands was the savings tax directive adopted in 2003 by the European Union, applicable to all Union member States and their territories. The directive requires that details of all interest paid in another country to a European Union resident be passed to the relevant European Union home-State taxation authority, or that a withholding tax be levied and passed on to the relevant European Union authority. In March 2004, the Turks and Caicos Government agreed to legislate the implementation of the directive and to levy a withholding tax. On 1 July 2005, the directive was brought into Turks and Caicos law with the enactment of the Retention Tax Ordinance.¹¹

D. Agriculture, fisheries, construction and manufacturing

30. Agricultural production is small and concentrated in North Caicos. The sector has begun to grow recently, with more produce available for sale on Providenciales and the establishment of a new farmers' cooperative. About 20 per cent of the working population is involved in agriculture and fishing. Efforts are being made to develop an agricultural policy to assist local farmers and promote substitution for some food items currently imported. Investment in high-value, specialty export products such as fin fish and shrimp farming, tropical fish breeding, hydroponic gardening and ornamental horticulture has great potential.

31. Traditional domestic fisheries exports, divided about equally between lobster and conch, recorded an all-time high of \$4.9 million in 2004. Lobster production, however, continued to be adversely affected by illegal fishing during the closed season and by poaching by foreign vessels. The main challenge to the fisheries sector stems from ineffective monitoring and control of illegal fishing in the absence of adequate patrols. The Ministry of Natural Resources continues to work on policies to address those concerns.

32. Apart from the production of handicrafts for the tourism trade, the only manufacturing activity is the semi-processing of imported rice for re-export to the European Union, benefiting from duty preferences under the Cotonou Agreement. While that activity was reduced in the late 1990s due to European Union restrictions, the Union later granted the Turks and Caicos Islands a licence to export 10,000 tons of processed rice into the European Union annually from January 2002.¹²

33. Several international construction companies are based in the Turks and Caicos Islands. Most major projects are subject to international competitive bidding. Sand and rock are quarried locally for use in construction projects, most significantly for hotels and commercial buildings.¹² The construction and real estate markets continue to grow, focusing on the construction of upmarket hotels, resorts and other beachfront properties. In February 2006, the Government also launched the Territory's first affordable housing programme, open to all local citizens and residents. The goal of the programme is to provide between 70 and 500 homes, depending on demand, and to offer affordable conditions for down payments and mortgages. The houses will be constructed to withstand hurricane force winds of up to 155 miles per hour.¹³

E. Tourism

34. The Turks and Caicos Islands tourism sector continued to record one of the fastest growth rates in the entire Caribbean. According to the Turks and Caicos Hotel and Tourism Association, tourism has grown by approximately 90 per cent over the past 10 years. Tourist Board figures show a steady rise in air passenger arrivals from 153,000 in 2002 to 158,000 in 2003 and 171,000 in 2004. The announcement of new flights to the Territory in 2006 and the opening of a cruise ship port in Grand Turk (see para. 38 below) are expected to boost visitor figures further.

35. In order to satisfy this greater demand, there has been an accompanying boom in beachfront development, with more than 20 resorts opening over the past decade. The construction of hotels and luxury properties in the Territory continued in 2005, especially along Grace Bay on Providenciales. Media reports cover the \$45 million renovation of the Grace Bay Club, the opening of the five-star Palms resort, the start of construction of the seven-story Regent Grand and pre-sales under way for the \$200 million Seven Stars Condo Hotel.¹⁴

F. Infrastructure

36. Transport and communication facilities are of a good standard, reflecting the Territory's relatively high income and the rapidly growing tourist industry. The road network covers about 130 kilometres, with paved roads on Grand Turk, Providenciales and the Caicos islands. There are airports capable of handling international flights on Providenciales, Grand Turk, North Caicos and South Caicos. In early 2004, new terminal facilities opened at Grand Turk International Airport, including car parks, access roads, extensions to the runway, resurfacing of the existing runway and upgraded landing lights. New terminal buildings are being planned for North and South Caicos. There are also paved airstrips on Middle Caicos and Salt Cay. From Providenciales, American Airlines, US Airways and Delta operate flights to the United States and British Airways operates flights to the United Kingdom. In season, there are charter flights from many major North American cities. Inter-island air services are provided by SkyKing, Turks and Caicos Airways and numerous local charters. Flights are also available to the Bahamas, Haiti, the Dominican Republic, Puerto Rico, Cuba and Jamaica. In January 2006, Excel Airways launched a direct service from London to Providenciales; and in February, Spirit Airlines inaugurated daily flights from Fort Lauderdale to Providenciales.¹⁵

37. Holland America Carnival, the world's largest cruise conglomerate, opened a cruise port in Grand Turk in February 2006. The dock, which can accommodate two cruise ships at one time and extends 1,680 feet out from the shoreline, is expected to contribute to an economic boom and overall revitalization of the capital of the Territory. The investment by Carnival includes \$1 million for loans to encourage small business creation and \$3 million to develop infrastructure and tourism products on Grand Turk. By the end of 2007, some 370,000 cruise passengers are expected to visit the island annually. Providenciales, South Caicos and Salt Cay also have ports, while new port facilities are currently being built in North Caicos.

38. Until recently, Cable and Wireless, a British telecommunications company, provided all domestic and international telephone services in the Territory. In July 2004, the Telecommunications Bill introduced gradual liberalization of the sector and also created a commission to regulate the industry. In January 2006, Cable and Wireless agreed to relinquish its remaining six years of monopoly and the Government announced it was ready to welcome new telecommunications providers.¹⁶ There are 12 cable television channels on Grand Turk and 32 on Providenciales, and 6 radio stations. There are no daily newspapers. *The Free Press*, the *Turks and Caicos News* and the *Turks and Caicos Sun* are published weekly. The *Times of the Islands*, a magazine aimed at business and tourism, is issued quarterly.

IV. Social conditions

A. Immigration and labour

39. The expansion in the tourism and offshore finance sectors has resulted in favourable economic growth, but activities in those areas are concentrated almost totally on the island of Providenciales. Thus, economic opportunities are not equally distributed among the islands. Unemployment varies between 14 and 20 per cent on the other islands, while Providenciales boasts almost full employment. Inter-island migration is common, particularly to Grand Turk where the capital is located. A number of social problems, such as overcrowding, housing shortages and an increase in the number of female-headed households have resulted from this skewed pattern of development.

40. In some cases, unemployment is the result of an imbalance between demand and supply for skills and the unwillingness of many "belongers" (local citizens) to take certain jobs, in particular unskilled manual work. The situation has led to a dependence on immigration and an influx of immigrant workers. Of an estimated population of 26,000, some 8,000 to 10,000 immigrants are from Haiti and the Dominican Republic. As previously reported (A/AC.109/2004/16, paras. 41-44), in March 2004, an Immigration Review Commission proposed major changes to immigration laws, including issues such as local citizenship, permanent and long-term residency, home ownership and investor permits, in the light of the impact of the substantial increase in the resident population on health, education and other social services. The Employment Ordinance 2004, passed in November 2004, improved employee rights and established the Labour Tribunal as a judicial forum for employment disputes.¹⁷

B. Education

41. Education in the Territory is free and compulsory for children between 5 and 16 years of age. There are 14 Government-run primary schools and four Government-run secondary schools. The pupil-teacher ratio averages 25:1. There are also a number of private schools. As concerns higher education, there is also a community college with branches on Grand Turk and Providenciales that provides two-year courses, mostly in vocational subjects. The adult literacy rate is 98 per cent.

42. For the 2004/05 fiscal year, 18 per cent of projected expenditure was earmarked for the Department of Education. In addition to funding for primary and secondary education in the Territory, the budget also allocated some \$14 million to cover the costs of tertiary education overseas. In August 2005, in a midterm report of his Government's accomplishments and projects, the Chief Minister noted that budget allocations showed that education was the Government's highest priority. He also pointed to the Government's commitment to the social welfare of its young people through the renovation of the Providenciales downtown ballpark, the building of an auditorium and a 400 metre track and field stadium to host the Caribbean's regional track and field games in 2007.

C. Health

43. The 2004/05 budget allocated over \$15 million to health care. Basic health care is available on the islands through a network of primary health-care clinics and one hospital, located on Grand Turk. The Government has sought to address infrastructural needs, especially on Providenciales, which has a high population growth rate. According to the World Health Organization, the illegal migrant population presents a major challenge for the Territory. Migrants often live under poor conditions, and there is a recorded increase in the incidence of communicable diseases, especially tuberculosis. The situation also places added strain on the Territory's health system.

44. In July 2005, work was commenced on the construction of a long-awaited clinic on South Caicos.¹⁸ A core priority for the Ministry of Health is now the development of two hospitals (a 20-bed facility on Grand Turk and a 40- to 50-bed trauma centre on Providenciales, with construction scheduled to begin by August 2006). The facilities are expected to help reduce the escalating and unsustainable cost of the treatment abroad programme. Meanwhile, the Minister of Health has commissioned a comprehensive study to define an overall vision for the Territory's health sector.

D. Crime

45. According to the statistics of the Royal Turks and Caicos Islands Police Force transmitted by the administering Power, a total of 1,840 crimes were committed in 2004, 9 per cent less than in 2003. Burglary and theft accounted for 49 per cent off all crimes. Other crimes reported included damage to property, assaults and woundings, motor vehicle-related crimes and sexual offences. Three quarters of all reported crime was on Providenciales. Approximately 31 per cent of all crimes were solved in 2004, down from 34 per cent in 2003.

46. Although the crime statistics noted above are low when put in a regional context, the killing of a police officer in January 2005 and other violent crimes later in the year led the Government to step up law enforcement. New policing plans were announced in September 2005 to combat drug trafficking, organized crime, illegal immigration and money-laundering and to improve police infrastructure. In January 2006 the Chief Minister announced that police salaries would be increased by 30 per cent and that additional recruitment would bring the Police Department to its full complement in 2006-2007.¹⁹

47. The Territory is party to an agreement, reached in 1990 with narcotics agencies of the United States and the Bahamas, that allows for combined interdiction operations. It is also covered by an agreement signed in 2000 between the United States and the United Kingdom to combat drug trafficking and improve air and sea surveillance in the region. Nonetheless, according to the Caribbean Financial Action Task Force, the Territory has been used as a trans-shipment point and several cocaine seizures have been made from Haitian carriers at Providenciales airport. Illegal drugs are most often brought into the Territory in boats circulating between Haiti and Turks and Caicos, but also from Jamaica, the Dominican Republic, the Bahamas and Colombia. The Police Department is working with other national agencies, including the Customs and Immigration Departments, to apprehend and prosecute offenders. In 2004, 82 individuals were charged with drug-related crimes. In August 2005, a new \$1.6 million police patrol vessel, fully funded by the Territorial Government, was put into operation.

V. Relations with international organizations and entities

48. Admitted as an associate member of the Caribbean Community (CARICOM) in 1991, the Territory of Turks and Caicos Islands has recently been considering upgrading its membership. However, although it fully supports the goals of CARICOM, for the time being the Government is reserving its position on issues relating to freedom of movement within the Community, the Caribbean Single Market and Economy, the Caribbean Court of Justice and other issues that have a direct bearing on external relations, defence and security, until such time as it can adequately assess the impact that such changes would have on the Territory.

49. In March 2006, the Turks and Caicos Islands was granted associate membership of the United Nations Economic Commission for Latin America and the Caribbean.²⁰ The Territory is also a member of the Caribbean Development Bank and Interpol.

50. Support from the United Nations Development Programme (UNDP) continues under the 2004-2008 country programme, which includes technical support in excess of \$780,000. The net contributor country classification places Turks and Caicos in a category that requires full government cost-sharing in UNDP programmes. However, the Territory also benefits from some UNDP regional programmes, such as the regional disaster response and management project and a programme for technical service development. In addition, UNDP continues to concentrate on small business development and employment creation in the Territory, particularly in the less developed islands. UNDP also provides technical support for capacity-building in the public sectors using United Nations Volunteers.

51. Due to the acquisition by the Turks and Caicos Islands of the status of middle-income country, direct bilateral aid from the British Department for International Development ended in March 2005. The last sponsored Department employee returned to the United Kingdom in July 2005, leaving the responsibility of hiring and employment in the civil service to the Turks and Caicos Government. According to the administering Power, however, the Islands continue to receive aid through British Government regional programmes in such areas as disaster preparedness and child welfare.

52. As part of its membership of the Association of Overseas Countries and Territories of the European Union, the Turks and Caicos Islands hosted the Association's first biennial small islands micro-economies conference in February 2005. The aim of the conference was to provide a forum for the Association's member countries to discuss and share experiences concerning issues affecting their development. The issues examined at the conference included health care, education, utilities, administration and justice, globalization and international trade rules, transport and disaster preparedness.²¹

VI. Future status of the Territory

A. Position of the territorial Government

53. The position of the territorial Government regarding the future status of the Turks and Caicos Islands is discussed in paragraphs 8 to 18 above.

B. Position of the administering Power

54. In a statement at the 2nd meeting of the Fourth Committee held on 5 October 2005 (see A/C.4/60/SR.2), the representative of the United Kingdom said the consultation process between his Government and its 10 overseas territories was continuing. The representative said that the seventh annual meeting of the Overseas Territories Consultative Council, which would be held in London in October 2005, would provide a forum for dialogue between democratically elected chief ministers and their equivalents from the Territories and United Kingdom Government Ministers on a range of issues, including the relationship between the United Kingdom and its overseas Territories, constitutional modernization, good governance, environmental matters and the United Kingdom's international obligations.

55. The representative said that the United Kingdom Government welcomed the progress that was being made in the constitutional review process and that there had been useful discussions between his Government and representatives of Gibraltar, Montserrat and the Turks and Caicos Islands. In Saint Helena, a consultative poll had rejected a revised draft constitution and that Territory was currently considering its next steps. Extensive discussions had been held with the Independence Commission set up in Bermuda to look into the implications of any move towards independence; at the Commission's request, his Government had drafted a paper setting out its position on a number of issues, which was currently being studied by the Government of Bermuda.

56. The representative pointed out that his Government continued to support capacity-building projects and to promote sustainable development and good governance in its overseas Territories. The Overseas Territories Environment Programme continued to support the implementation of the environment charters for the overseas Territories. His Government likewise continued to support its overseas Territories in their efforts to strengthen relations with the European Commission and to improve access to the trade and economic and developmental aid provisions of the European Union — Overseas Countries and Territories (EU — OCT) Overseas Association Decision. It had also continued its informal cooperation with the

Special Committee; in that context, a visit had been made to Bermuda with a view to consider progress towards that Territory's de-listing.

57. In a separate communication regarding the Overseas Territories Consultative Council held in London in October 2005, the United Kingdom Government noted that there had been useful discussion on the relationship between the United Kingdom and the Overseas Territories and progress on constitutional modernization, which continued to take account of the Territories' particular circumstances. Other areas covered were external relations, good governance, law enforcement, financial services, transport, sustainable development and relations with the European Union. The Department of International Development organized round tables in association with the Overseas Territories Consultative Council on human rights and disaster management.

C. Consideration by the General Assembly

58. On 8 December 2005, the General Assembly adopted resolution 60/117 B, without a vote, section X of which concerns the Turks and Caicos Islands.

Notes

¹ The information contained in the present paper has been derived from published sources and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations.

² www.turksandcaicosislands.gov.tc, 22 July 2004.

³ Economist Intelligence Unit, EIU ViewsWire, "Turks and Caicos Islands politics: Pact with Canada possible", 30 March 2004; Caribbean Net News, 25 April and 5 May 2004, at www.caribbeannetnews.com; www.canadiancontent.net; "Canada and the Turks and Caicos Islands: Canada's 11th province?", 15 December 2004, at www.petergoldring.com.

⁴ "New Turks and Caicos Governor sworn in", www.caribbeannetnews.com, 14 July 2005.

⁵ See www.caribbeannetnews.com, 5 October 2005.

⁶ See www.caribbeannetnews.com, 20 October 2005.

⁷ See www.turksandcaicosislands.gov.tc, 5 December 2005.

⁸ See www.turksandcaicosislands.gov.tc, 19 April 2005.

⁹ See www.turksandcaicosislands.gov.tc, 28 October 2005.

¹⁰ See www.turksandcaicosislands.gov.tc, 21 October 2005.

¹¹ See www.timespub.tc.

¹² Economist Intelligence Unit, Country Profile 2004: Turks and Caicos Islands.

¹³ See www.turksandcaicosislands.gov.tc.

¹⁴ See www.caribbeannetnews.com, 28 January 2005, "Turks and Caicos, undiscovered no more", *The New York Times*, 30 January 2005, at www.nytimes.com.

¹⁵ See www.totalbusiness.org.uk and <http://businesswire.com>.

¹⁶ See www.turksandcaicosislands.gov.tc.

¹⁷ See the Employment Ordinance 2004 at <http://tcimall.tc/commerce/2004employmentbill>.

¹⁸ <http://www.turksandcaicosislands.gov.tc/otherpages/groundbrokenfornewsouthcaicosclinic.html>.

¹⁹ www.caribbeannetnews.com, 27 September 2005 and 19 January 2006.

²⁰ www.eclac.org, press release, 24 March 2006.

²¹ <http://www.turksandcaicosislands.gov.tc/otherpages/simepressrelease.html>.



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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Cayman Islands

Working paper prepared by the Secretariat

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I. General

1. The Territory of the Cayman Islands¹ is located some 180 miles west of Jamaica and about the same distance south of Cuba. It comprises three islands: Grand Cayman (76 square miles), Cayman Brac (15 square miles) and the adjacent and largely undeveloped Little Cayman (11 square miles).
2. According to the Economics and Statistics Office of the Cayman Islands, the population of the Territory in 2005 was estimated at 44,270, a slight increase from 44,144 in 2003.² An estimated 25 per cent are of African descent, 20 per cent are of European descent and the remainder are mixed.
3. As reported in the 2005 working paper (A/AC.109/2005/6, paras. 16-18), the Cayman Islands suffered considerable damage due to Hurricane Ivan. The hurricane, which struck the islands in September 2004, affected virtually all facets of life in the Territory. It took the better part of 2005 to restore normalcy to the Cayman Islands.
4. The British Overseas Territories Act that came into force in 2002 (A/AC.109/2002/2/Add.1) grants the right to full British citizenship to all inhabitants of the Territories and formally abolishes the term "colony" and "dependent territory" in favour of "Overseas Territories". That law allows Cayman Islanders to hold British passports and work anywhere in the European Union.
5. In July 2004, the United Kingdom Privy Council enacted an amendment to the Constitution of the Cayman Islands designed to correct an anomaly created by the British Overseas Territory Act 2002, which would have disqualified eligible people holding both British Overseas Territories citizenship and British citizenship from standing for election in the Cayman Islands.³

II. Constitutional, legal and political issues

6. The Cayman Islands is a Non-Self-Governing Territory under the administration of the United Kingdom of Great Britain and Northern Ireland. The Constitution of 1959 was revised in 1972, 1992 and 1994. Under the Constitution, the Governor, who is appointed for four years by the British monarch, is responsible for external affairs, defence, internal security and the public service. The Governor is the Chairman of the Executive Council, which comprises three members appointed by the Governor, namely the Chief Secretary (until 1992, the Administrative Secretary), the Financial Secretary and the Attorney General, and five members elected by the Legislative Assembly. The Executive Council is responsible for the administration of government. The Governor assigns ministerial portfolios to the elected members of the Executive Council. The Legislative Assembly comprises three official members designated in the Constitution and 15 members elected by universal adult suffrage for a period of four years. Since 1991, a Speaker is elected to preside over the Assembly.
7. The judicial system is based on British common law, certain British statutes and local statute law. There is the Grand Court (with Supreme Court status) and the Summary Court, which includes criminal, civil, family, youth and coroner's court. Appeals lie with the Court of Appeal of the Cayman Islands and, beyond that, with the Privy Council in London.

8. The former Governor of the Cayman Islands, Bruce Dinwiddy, who was appointed in May 2002, retired on 28 October 2005. Stuart Jack was appointed as the new Governor and arrived in the Cayman Islands on 23 November 2005.⁴

9. Until 2000, there were no formal political parties in the Territory and loose groupings known as National Team, Democratic Alliance and Team Cayman acted as political organizations (see A/AC.109/2003/9, paras. 7-8). Following the defeat of the National Team in the general elections held in 2000, a majority of the Legislative Assembly members formed a political party, the United Democratic Party (UDP), on 5 November 2001. The opposition formed a second party, the People's Progressive Movement (PPM) in 2002. McKeever Bush of UDP was the Leader of Government Business (a position analogous to First or Chief Minister) until he was replaced by D. Kurt Tibbetts of PPM following the May 2005 general election.⁵ In February 2005, a new political party was created in the Cayman Islands. The People's Democratic Alliance (PDA) was formed when a long-time Legislative Assembly member Linford Pierson, formerly of UDP, indicated his intentions to run as an independent candidate in the May 2005 election.⁶ See paragraph 13 below for details on the election.

10. As was reported in previous working papers (A/AC.109/2002/7, paras. 11-14; A/AC.109/2003/9, paras. 10-19 and A/AC.109/2004/15, paras. 8-12), the constitutional review process in the Territory up to 2004 focused on electoral law, in particular the mapping of electoral districts. Recommendations of the Boundary Commission on the mapping of electoral districts were passed by the Legislative Assembly of the Cayman Islands in December 2003 and submitted for approval by the United Kingdom. Subsequently, the new electoral district scheme was part of talks on constitutional modernization in the Cayman Islands, which were suspended in February 2004 owing to lack of political consensus. As a result, the 2005 general election took place under the old electoral district system.⁷

11. In July 2004, the Elections Law (2004 Revision) was enacted. The law modernized the Cayman Islands election system, but did not include any significant amendments relating to electoral districts. The Act contained new provisions for the registration of political parties and made revisions to the election expenses laws. The Act also contained provisions relating to the registration of voters, requiring Caymanian citizens to register to vote, as well as provisions concerning practical arrangements for elections, political broadcasting, and the publication of statistical information, election petitions and election offences.⁸

12. The Territory's general election was due to be held in November 2004, but was postponed until May 2005 following the devastation caused by Hurricane Ivan in September 2004. The election in 2005 was the first one to be held following the 2004 revision of the Elections Law.

13. The general election was held on 11 May 2005. PPM won an unprecedented landslide victory over the incumbent UDP, winning 9 of the 15 seats in the Legislative Assembly.⁹ UDP won five seats, and the newly formed PDA secured one seat. According to media reports, the main issues in the election campaign were economic stability, governance, autonomy and empowerment. Stopping short of calling for independence, many Caymanians had expressed their growing desire to have more say in the "running of their daily lives".¹⁰ PPM seized on this popular sentiment and took over the leadership of the Legislative Assembly with a promise to win more autonomy from Britain.¹¹ The UDP loss was also attributed to the

sluggish pace of the post-Hurricane Ivan clean-up in some districts, to widespread dissatisfaction with UDP for granting Caymanian status, known as "belongership", to several thousand people and to financial scandals involving Government ministers.¹² Although still impressive at 78 per cent, voter turnout was lower by about 2 per cent than in the last general election in 2000.¹³

14. Regarding constitutional modernization, the issues of contention between the Territory and the United Kingdom relate to the provisions in the Constitution that deal with the degree of self-government and control over local affairs by elected officials, the role of the Governor, the impact of compliance by the Territory with the United Kingdom's international obligations, and the participation of the Territory in those international affairs that affect its interests. Both main parties in the Cayman Islands support greater autonomy over domestic issues than is currently enjoyed, and PPM has promised a referendum to decide the future constitutional status of the islands.¹⁴

15. In his 2005 Throne speech, the Governor of the Territory noted that although there had been some "rough weather" (including the imposition of the European Savings Tax Directive) in the "maturing relationship" of the Territory and the United Kingdom, progress had been made in other areas, such as constitutional modernization. As a result of the progress made on that issue in recent years, there is constitutional recognition of the offices of Leader of Government Business and Leader of the Opposition and of a Cabinet supported by a Cabinet Office.¹⁵

16. Nevertheless, overall progress in constitutional reforms was slow in 2005, as the first half of the year was dominated by the general election. In October 2005, at the annual meeting of the Overseas Territories Consultative Council, the Leader of Government Business D. Kurt Tibbetts announced the readiness of the Cayman Islands to resume discussions with the United Kingdom, which were scheduled to begin in March 2006.¹⁶ Mr. Tibbetts further stated that the starting point for that round of negotiations would be the draft Constitution adopted in 2003 (see A/AC.109/2002/7, paras. 11-14; A/AC.109/2003/9, paras. 10-19; and A/AC.109/2004/15, paras. 8-12 for details). According to media reports, the Cayman Islands is interested in the model of governance adopted by Bermuda, which features a single-member constituency.¹⁷

III. Budget

17. As was reported in the 2004 working paper (A/AC.109/2004/15, paras. 13-19), in 2003 the Financial Secretary announced major reforms in the budgetary process. Following the reform, the new 2004/2005 budget was prepared for the first time on an accrual rather than on a cash basis.

18. Within the framework of reform, the budgetary policy of requiring statutory authorities and government companies to comply with the same fiscal discipline as ministries continued. Under the new policy, introduced in July 2004, before ministries and programmes receive funding from the Cabinet, they must demonstrate that they have delivered their agreed outputs or services.¹⁸ The legislation implementing the same concept for the civil service, which went into effect on 1 July 2005, gave the civil service one year to implement and develop the performance management system before it became mandatory.¹⁹

19. The 2005/06 budget presented in October 2005, projected revenue of 380.2 million Cayman Island dollars (CIS) and expenses of CIS 376.9 million, resulting in a projected CIS 3.3 million surplus by 30 June 2006. Financing the hurricane recovery received priority, and the total allocation for the post-hurricane reconstruction amounted to CIS 35.6 million, a significant 8.5 per cent of the total forecast revenue.²⁰ Budgetary spending also gives priority to crime fighting, families and communities and education and health.

20. In November 2005, the Government of the Cayman Islands announced that by June 2009 it intended to spend CIS 235.6 million on capital projects, mainly new schools, office buildings and equipment for police. The scope of the proposed projects exceeded all other development projects in the history of the islands. The projects would be funded by borrowing CIS 182 million over three years, beginning in July 2006, and CIS 63 million in credit financing, already part of the 2005/06 budget. According to the Government, growing operating surpluses expected over the next 10 years would finance the planned borrowing.²¹

IV. Economic conditions

A. General

21. The Cayman Islands has one of the highest standards of living in the Caribbean. According to the United Kingdom Foreign and Commonwealth Office, as of November 2005, the gross domestic product (GDP) per capita is \$36,271. The economy is based on tourism and on the islands' status since 1966 as an international offshore finance centre. The principal sources of government revenue are import duties, company, bank and trust licence fees, and stamp duties. There is no income tax, company tax or excise duty. Although imports outstrip exports by about 100 to 1, the trade gap is more than offset by earnings from the tourism and financial services sectors. The Cayman Islands' major trading partners are the United States of America, the United Kingdom and the Caribbean Community.²²

22. Although the effects of Hurricane Ivan were widespread across the economy, 2005 proved to be a year of remarkable economic recovery in the Cayman Islands. In 2004, the economy grew by less than 1 per cent. Estimated damage and losses due to the hurricane were about 183 per cent of GDP, which amounted to nearly CIS 3 billion. However, according to the administering Power, by the end of 2005, those losses had begun to "work [their] way out" of the Cayman economy. Financial services and tourism lead the economic recovery, although other economic indicators have also pointed to stabilization of the Cayman economy following Hurricane Ivan. Inflation rose dramatically from 4.4 per cent in 2004 to 8.4 per cent in September 2005 (largely due to the hurricane), but it is projected to stabilize at about 3 per cent by 2006/07. Overall, the economy is expected to grow by 3.6 per cent in fiscal year 2006/07 and 3 per cent in 2007/08 and 2008/09.²³

B. Agriculture, livestock and fisheries

23. Agricultural activities, although limited by infertile soil, low rainfall and high labour costs, have nearly doubled over the past five or six years, with 10 large farms totalling over 100 acres. Agricultural products include bananas, tomatoes, lettuce, honey, mangoes, citrus fruits, various vegetables and coconuts. Livestock rearing consists of beef cattle, poultry and pigs. Agriculture constitutes 1.4 per cent of the total GDP.

C. Tourism

24. A study conducted in 2003 noted that the tourism sector accounted for approximately 50 per cent of the Cayman Islands GDP and 27 per cent of employment in the Territory, and accrues revenue of C\$ 30.7 million to government and statutory bodies.²⁴

25. During 2005, the sector continued to deal with the aftermath of Hurricane Ivan. Air arrivals stood at 146,209 as of November 2005, a 41.2 per cent decrease from the same period in 2004. Cruise ship arrivals, however, rose to 1.8 million, the second-highest number in five years.²⁵

26. According to media reports, there was a 7.4 per cent decline in stay-over tourists in 2005, but it is expected that that trend will reverse when tourist accommodation figures return to the pre-hurricane levels when hotels such as Marriott, for example, reopen.²⁶

27. In his 2005 Throne speech, the Governor announced that, in the period 2005-2006, a major focus would be the resumption of the implementation of the National Tourism Management Policy, which was temporarily interrupted in the aftermath of Hurricane Ivan. Launched in April 2004, the Policy outlined a framework and a clear vision for the sustainable development of the tourism industry over the next five years.²⁷ As part of the plan, the Ministry and Department of Tourism would be working with the industry to restore the numbers of stay-over visitors to pre-Hurricane Ivan levels. In support of those initiatives, the Cayman Islands Airport Authority would commence a major redevelopment of the terminal building at Owen Roberts International Airport. The new terminal is expected to improve tourism by including jetways that will allow passengers to board and deplane directly from and at the terminal building.²⁸

D. Financial services

28. The financial sector is one of the main pillars of the Cayman Islands economy, and the islands remain among the top international financial centres in the world (see A/AC.109/2003/9, paras. 41-50, and A/AC.109/2004/15, paras. 32-35).

29. Despite Hurricane Ivan, nearly all sectors of the financial industry, including mutual funds, insurance company and new company registrations, stock market capitalization and listings, as well as captive insurance premiums, registered growth during 2005. As of June 2005, there were 6,527 mutual funds in the Territory, a 21 per cent increase over the previous year. Total international assets in Cayman banks rose by 10 per cent, to US\$ 1.265 trillion in June 2005.²⁹ The captive

insurance sector added 40 new Cayman-licensed captives in 2005, a 7 per cent increase. Despite the 22 per cent decline over four years, the sector remained the fifth largest banking centre and the largest offshore banking centre in the world. The decline was attributed to an increasing number of mergers and acquisitions.

30. The Cayman Islands Monetary Authority, a statutory authority, is the primary financial services supervisory and regulatory body in the Territory. According to the Authority, its mission is to enhance the economic wealth and reputation of the Cayman Islands by fostering a thriving and growing, competitive and internationally recognized financial services industry through appropriate, responsive, cost-effective and efficient supervision and a stable currency. Authority strategies to achieve those goals include the implementation and/or update of existing legislation, securing necessary resources through enhanced dialogue with the Cabinet and involvement in relevant international forums.³⁰

31. The European Union savings tax directive, which requires disclosure of financial information in relation to European Union (EU) depositors or the imposition of withholding tax on bank interest paid to EU citizens, continued to be a difficult issue in the Cayman Islands in 2005. As noted in the 2004 working paper (A/AC.109/2004/15, para. 34), the Government of the Cayman Islands exerted considerable effort to resist the directive and agreed to implementation only upon obtaining from the United Kingdom certain undertakings to help safeguard the Cayman Islands economy. At the end of 2003, the British Government issued an ultimatum to the Territory to adopt the new directive by 20 February 2004 or face its imposition by the order in council. On 13 February 2004, the Territorial Government recommended the adoption of the directive to the Legislative Assembly. The opposition party, PPM, abstained from the vote and the directive was adopted. After much debate and delay, the directive came into effect on 1 July 2005.³¹

32. In recognition of the challenge that the savings tax directive presents to Territories with significant financial services sectors, the Foreign Office of the United Kingdom has appointed a dedicated officer to assist the Territories to apply for aid from the European Union with a view to improving economic development, and with a particular focus on the tourism infrastructure.³²

E. Infrastructure and transport

33. In 2005, a key focus of the Ministry of Communications, Works and Infrastructure continued to be to ensure that all damaged communication links, roads, water lines and public buildings were repaired to pre-Hurricane Ivan standards or better.³³

34. The road network of the Cayman Islands comprises approximately 225 kms of roadways, of which approximately 145 are primary and secondary roads with hot-mixed asphalt surface, and approximately 80 are local and other minor streets with oil-spray-and-chip surface. The network suffered extensive damage due to the hurricane. In some areas along the coast, entire sectors of the road were washed away by the storm.

35. International air services are provided between Grand Cayman and the United States, Canada, Europe, Jamaica, Honduras and Cuba through more than 108 flights

per week. Major United States and British airlines operate regularly to and from the Territory, while domestic airline services and charters operate between the three islands. Discussions about relocation of the international airport at the beginning of 2004 became overshadowed by the hurricane in September.¹⁴ Subsequently, plans were announced to renovate the existing airport, which should be ready in 2006 (see para. 27 above).

36. There was considerable activity in the airline industry during 2005. In June, Island Air ended its 16-year commercial air service to the sister islands (Little Cayman and Cayman Brac). Island Air was not able to compete against the Government-subsidized CAL Express service. In September, however, Sprint Airlines entered the flight market to provide competition for the already financially strapped Cayman Airways, and was expected to increase the number of stay-over tourists.¹⁵

37. The port of George Town is the main gateway for cruise ships that carry tourists to the islands. The Cayman Islands are served by scheduled passenger liners and a number of locally owned or registered vessels that provide cargo services between the Cayman Islands and Miami, Tampa and Jamaica. In 2005, cruise ship arrivals rose to 1.8 million, up from 1.6 million in 2003.

38. In March 2004, the Cayman Islands Port Authority signed a loan agreement to fund the construction of the Royal Walter and the West Bay cruise terminals.¹⁶ In 2005, however, it was decided that the West Bay cruise facility would not be developed. Instead, the pier at the Royal Walter Cruise Terminal would be lengthened and the North Terminal upgraded to create more capacity.¹⁷

F. Communications

39. The Territory's continuing development as a leading international business centre is dependent on modern and reliable telecommunications and utility services. Until recently, Cable and Wireless was the exclusive provider of telecommunications services in the Cayman Islands. As was reported previously (A/AC.109/2003/9, paras. 51-53 and A/AC.109/2004/15, paras. 36-38), in mid-2003, the Government introduced competition into the telecommunications sector aimed at its complete liberalization by April 2004. Since then, several telecommunications operations and infrastructure providers have entered the market, and Cayman Islands consumers have benefited from the resulting drop in the cost of services.

40. The telecommunications sector was also badly affected by Hurricane Ivan. A report of the Economic Commission for Latin America and the Caribbean/United Nations Development Programme (ECLAC/UNDP) estimated that the loss sustained by the telecommunications sector amounted to approximately CUS 79.5 million, of which 60 per cent was damage to assets and 40 per cent business losses. Even though damage was significant, services continued throughout the storm and all services were quickly restored in the aftermath of the hurricane, evidence of the strength and quality of the sector.¹⁸

41. The electricity grid was also badly affected by Hurricane Ivan, sustaining losses estimated at CUS 68.9 million, of which 41 per cent was damage to assets and 59 per cent was business losses. However, recovery was aided by the subregional

Hurricane Action Plan, which included the assistance of teams from electrical enterprises in Barbados, Belize, Bermuda and the Turks and Caicos Islands.³⁹

42. In January 2006, the Caribbean Utilities Company was rewarded for its efforts by the United States-based Edison Electric Institute and received the Emergency Recovery Award for its outstanding efforts. According to the Institute, the Caribbean Utilities Company and contract employees replaced more than 140 miles of distribution and transmission lines, repaired or placed more than 10,000 utility poles, brought the island's generating facilities, all of which were damaged by Hurricane Ivan, back online and delivered power to all customers in under 90 days.⁴⁰

43. In 2004, the Caribbean Utilities Company was granted a licence to operate in the Cayman Islands until 2024.⁴¹

V. Social conditions

A. Human rights

44. The Territory is subject to several major human rights conventions to which the administering Power has acceded, including the European Convention on Human Rights, although the right of individual petition to the European Court of Human Rights does not extend to the Cayman Islands, at the request of the Cayman Islands Government. The Cayman Islands is the only United Kingdom Territory without a bill of rights (see A/AC.109/2002/7, para. 49, A/AC.109/2003/9, paras. 61-63 and A/AC.109/2004/15, para. 45). The draft Constitution presented for approval by the United Kingdom in 2003 includes a bill of rights, which will be scheduled for implementation when the appropriate legislation is in place. Media reports have noted that the absence of constitutional protection of fundamental rights is a matter of concern to the Government of the United Kingdom.⁴²

45. The Cayman Islands Human Rights Committee is a Government-funded organization, which was created in 2003. The initial role of the Committee was to report on progress made in the Cayman Islands regarding compliance of the Territory with international human rights conventions. In 2005, the Committee mandate was expanded to include the investigation of human rights abuses. According to published reports, the expanded authority of the Committee will allow it to deal with reports of alleged human rights abuses of migrant workers.⁴³ As of January 2006, a new human rights organization was in the process of formation in the Cayman Islands: the Center for Education and Development of Human Rights is intended to be a conflict resolution and human rights non-governmental organization, with the objective "to assist in resolving non-commercial disputes on an international basis".⁴⁴

B. Labour and immigration

46. According to the labour force survey released in November 2004, the labour force of the Territory comprised 23,453 people compared with 29,905 in 2003. The 20 per cent decline was attributed to Hurricane Ivan. The number of working Caymanians in November 2004 was 11,444, while the number of non-Caymanians

in the workforce was 10,976. In 2005, the unemployment rate was less than 4 per cent, compared with 4.4 per cent in 2004.⁴⁵ According to the Cayman Islands Employment Relations Department, the employment outlook was strong for 2006, especially in the construction and financial sectors. However, the labour market required more qualifications for even entry-level office and trade positions.

47. A new immigration law took effect in 2004 limiting foreign workers in the Territory to a stay of between six months and seven years, depending on the category of employment. According to the supporters of the new law, its aim was to stop foreign workers who entered the Territory with a one- or two-year work permit from staying for a "long or indefinite time". The new law affected a large portion of the Caymanian workforce, as more than 50 per cent of workers are work-permit holders.⁴⁶ In view of that, in September 2005, the Government of the Cayman Islands decided to review certain provisions of the law related to work permits and the subsequent granting of permanent residence.⁴⁷ As of March 2006, that review was ongoing.

C. Education

48. Education is compulsory for all resident children who are between 4 years, 9 months, and 16 years of age. The public education system caters to about two thirds of Caymanian children, with the remainder attending fee-paying schools. The Government operates six primary schools, one middle school, two high schools and one alternative education centre on Grand Cayman, as well as three primary schools and one high school, which incorporates the middle school, on Cayman Brac. Tuition is free for Caymanians at those schools, but an annual book rental fee of 100 to 150 Cayman Islands dollars per student is charged. In addition, 10 private schools provide primary and/or secondary education. All private schools are monitored by the Education Department and receive grants from the Government. Two public institutions and one private school provide tertiary education. The Community College of the Cayman Islands is owned by the Government but is independently administered. The Cayman Islands Law School is also Government-owned, while the College of the Cayman Islands is private.

49. In his 2005 Throne speech, the Governor stated that a major focus of the Ministry of Education in the 2005-2006 period would be the implementation of the major findings of the National Education Conference. In October 2005, the Conference report was adopted by the Government of the Cayman Islands as a blueprint for education reform. The report offered the following recommendations for improvement in education: a new model of governance for the education service, which places students firmly at the centre; a commitment to raising educational standards and providing a curriculum that is relevant to the interests and needs of all students and of the country; greater support for enhancing the leadership and management of schools; and greater ownership of and accountability for performance. In addition, the Government planned major capital works for three new high schools and a replacement primary school in George Town.⁴⁸

D. Public health

50. The Health Services Department is responsible for the provision of all government health care, including public health services. In addition to general medical care, a wide range of specialist services are available locally. According to the administering Power, contraceptive services are provided free of charge, in addition to free antenatal service, which is already being provided for all residents irrespective of nationality. The Health Practitioners Board has responsibility for the registration of private practitioners. There is a 124-bed hospital in George Town, which includes a state-of-the-art, fully staffed accident and emergency room. There is also an 18-bed hospital on Cayman Brac and several district health centres and clinics. In 2000, there were 84 registered doctors and 14 dentists in the Territory.

51. Health insurance is compulsory in the Cayman Islands. In 2004, the Health Insurance (Amendment) Law was passed restricting the issue of health insurance contracts to "approved insurers" licensed to do business in the Cayman Islands.⁴⁹

52. In April 2005, the Government of the Cayman Islands publicly launched a health-care reform campaign. The key aspect of the reform was access: access to quality and affordable health care; to protection under various laws; to modern, technologically advanced and efficient health-care services; to registered medical practitioners and licensed health-care facilities; and to better quality of life, health and personal well-being. The most important feature of the new health-care system, which is a combination of private and Government-funded schemes, is that all legal residents of the Cayman Islands are eligible for health insurance. It is hoped that the new system will address the issue of people previously deemed "difficult to insure", namely those with a low income or severe health problems.⁵⁰

E. Crime and public safety

53. The Royal Cayman Islands Police Force comprises 295 officers and 40 support staff. It has a shortfall of Caymanian recruits and has officers seconded by the United Kingdom. Officers are also recruited from Jamaica, Belize, Barbados, Canada, Nicaragua, Trinidad and Tobago, Honduras, the Bahamas, Nigeria and the United States.

54. The strategic policy statement for the financial year 2003/04 outlines the following specific goals to ensure the safety and security of the Cayman Islands: an efficient and fair legal and judicial system; reduction in the levels of petty and serious crime; reduction in the rate of reoffending by convicted offenders; secure and humane custody of offenders with custodial sentences; and maintenance of appropriate border security and protection.

55. According to press reports, the number of crimes in the Territory increased during 2004 and continued to climb in 2005. The number of burglaries as of March 2005 was double that of March 2004. The Cayman Government took two steps in response to the rapidly rising crime rate in the islands. The 2005/06 budget provided for a C\$ 49.4 million increase over four years for the operations of the Royal Cayman Islands Police Service. In addition, a new anti-crime law was passed in November, which aims to curb crime through the imposition of new measures ranging from longer jail terms to the right of police to request information from telephone companies.⁵¹

F. Disaster prevention

56. As mentioned above, Hurricane Ivan, in 2004, was one of the worst natural disasters that the Cayman Islands had ever experienced, and it changed the way Caymanians prepare for natural disasters. Since then, various government agencies have prepared plans that will allow them to respond more quickly to a devastating hurricane. For example, the Public Works Department, the Department of Vehicle and Equipment Services and the Heavy Equipment and Vehicle Operators Association now have plans in place for heavy equipment to be located at strategic points around Grand Cayman for the clearing of main roads in the immediate aftermath. These agencies are also responsible for clearing the airports. The Port Authority has in place business continuity plans that cover emergencies. The Water Authority system will be shut down just before an anticipated hurricane hits, so as to protect the integrity of the system, minimizing contamination of the water supply. During the period when the normal system is not operational, tanker trucks will distribute both drinking water and water for cleaning.⁵²

VI. Relations with international organizations

57. The Cayman Islands, which had been an observer with the Caribbean Community, was approved for associate member status in February 2002 (see A/AC.109/2002/7, paras. 75 and 76). The Territory is also a member of the Caribbean Development Bank, the International Olympic Committee, the Universal Postal Union and Interpol and an associate member of the United Nations Educational, Scientific and Cultural Organization.⁵³

VII. Future political status of the Territory

58. See paragraphs 14 to 16 above for discussion on the relationship between the Territory and the United Kingdom.

VIII. Position of the administering Power

59. In a statement at the 2nd meeting of the Fourth Committee, held on 5 October 2005, at the sixtieth session of the General Assembly (see A/C.4/60/SR.2), the representative of the United Kingdom said the consultation process between his Government and its 10 overseas territories was continuing. The 7th annual meeting of the Overseas Territories Consultative Council would be held in London in October 2005. The Council provided a forum for dialogue between democratically elected Chief Ministers and their counterparts from the Territories and United Kingdom Government Ministers on a range of issues, including the relationship between the United Kingdom and its overseas Territories, constitutional modernization, good governance, environmental matters and the United Kingdom's international obligations.

60. The representative of the United Kingdom Government welcomed the progress that was being made in the constitutional review process; there had been useful

discussions between that Government and representatives of Gibraltar, Montserrat and the Turks and Caicos Islands. In Saint Helena, a consultative poll had rejected a revised draft constitution and that Territory was currently considering its next steps. Extensive discussions had been held with the Independence Commission set up in Bermuda to look into the implications of any move towards independence; at the request of the Commission, the United Kingdom Government had drafted a paper setting out its position on a number of issues, which was currently being studied by the Government of Bermuda.

61. The representative pointed out that his Government continued to support capacity-building projects and to promote sustainable development and good governance in its overseas Territories. The Overseas Territories Environment Programme continued to support the implementation of the environment charters for the overseas Territories. The United Kingdom Government likewise continued to support its overseas Territories in their efforts to strengthen relations with the European Commission and to improve access to the trade and economic and developmental aid provisions of the European Union — Overseas Countries and Territories Overseas Association Decision. The Government had also continued its informal cooperation with the Special Committee of 24; in that context, a visit had been made to Bermuda with a view to consider progress towards that Territory's de-listing.

62. In a separate communication regarding the Overseas Territories Consultative Council meeting held in London in October 2005, the United Kingdom Government noted that there was useful discussion on the relationship between the United Kingdom and the Overseas Territories and progress in constitutional modernization, which continued to take account of the particular circumstances of the Territories. Other areas covered were external relations, good governance, law enforcement, financial services, transport, sustainable development and relations with the European Union. The United Kingdom Department of International Development organized round tables in association with the Overseas Territories Consultative Council on human rights and disaster management.

IX. Consideration by the General Assembly

63. On 8 December 2005, the General Assembly adopted resolution 60/117 A and B without a vote. Section V of resolution 60/117 B is devoted to the Cayman Islands.

Notes

¹ The present working paper is based on information provided by the administering Power under Article 73 e of the Charter of the United Nations on 13 January 2006, as well as from published sources.

² The World Factbook, www.cia.gov.

³ Caribbean Net News, 23 August 2004, www.caribbeannetnews.com.

⁴ Information transmitted by the administering Power, 13 January 2006.

⁵ Ibid.

⁶ Cayman Net News, 2 February 2005.

- ⁷ Cayman Net News, 1 December 2003; 6 January 2004; 4 February 2004; 5 February 2004; 9 February 2005.
- ⁸ Cayman Net News, 19 March 2004, www.caymannetnews.com.
- ⁹ Cayman Net News, 12 May 2005.
- ¹⁰ BBC Caribbean, 28 April 2005.
- ¹¹ The Royal Gazette, 12 May 2005.
- ¹² Caribbean Media Corporation News Agency, 13 May 2005.
- ¹³ Caribbean Net News, 12 and 18 May 2005.
- ¹⁴ The Economist Intelligence Unit, Cayman Islands: Country Profile, 2005.
- ¹⁵ 2005 Throne speech, October 2005.
- ¹⁶ Press release, 25 October 2005, www.gov.ky.
- ¹⁷ Cayman Net News, 16 February 2006; 20 March 2006.
- ¹⁸ Budget Address 2004/2005, www.gov.ky.
- ¹⁹ Information transmitted by the administering Power, 13 January 2006.
- ²⁰ Caribbean Net News, 12 October 2005 and Government of the Cayman Islands 2006/07 Strategic Policy Statement, November 2005.
- ²¹ www.caribbeancurrent.com, 30 November 2005; Caribbean Net News, 2 December 2005; press release, 30 November 2005, www.gov.ky; Government of the Cayman Islands 2006/07 Strategic Policy Statement, November 2005.
- ²² www.fco.uk.
- ²³ Caribbean Net News, 2 December 2005.
- ²⁴ A Study to Assess the Economic Impact of Tourism on the Cayman Islands, Cayman Islands Tourism Association, 2003, www.gov.ky.
- ²⁵ The Economist Intelligence Unit, Country Report: Cayman Islands, March 2006.
- ²⁶ Caribbean Net News, 2 December 2005.
- ²⁷ Caribbean Net News, 13 April 2004.
- ²⁸ 2005 Throne speech, October 2005.
- ²⁹ Cayman Net News, 29 December 2005; Cayman Islands Financial Services Association, 22 December 2005, www.caymanfinances.com.
- ³⁰ Cayman Islands Monetary Authority Look Forward Report: 2005/2006, www.cimoney.com.ky.
- ³¹ www.mondaq.com, 28 October 2005.
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- ³³ 2005 Throne speech, October 2005.
- ³⁴ Cayman Net News, 25 May 2004, www.caymannetnews.com.
- ³⁵ Cayman Net News, 17 June 2005; 16 September 2005.
- ³⁶ Cayman Net News, 25 May 2004, www.caymannetnews.com.
- ³⁷ News from Cayman, July 2005, www.gotocayman.com.
- ³⁸ Cayman Islands Government, ECLAC/UNDP report, 10 January 2005, www.gov.ky.

- ³⁹ Cayman Islands Government, ECLAC/UNDP report, 10 January 2005, www.gov.ky; The Economist Intelligence Unit, September 2004, www.eiu.com.
- ⁴⁰ Cayman Net News, 20 January 2006.
- ⁴¹ Cayman Net News, 18 June 2004, www.caymannetnews.com.
- ⁴² Cayman Net News, 21 April 2004, www.caymannetnews.com.
- ⁴³ Cayman Net News, 21 November 2005 and 15 December 2005.
- ⁴⁴ Cayman Net News, 5 January 2006.
- ⁴⁵ Cayman Business Outlook 2006, Speech by Leader of Government Business, Hon. D. Kurt Tibbetts, 18 January 2006, www.gov.ky.
- ⁴⁶ Cayman Net News, 13 April 2005.
- ⁴⁷ Ibid., 16 September 2005.
- ⁴⁸ 2005 Throne speech, October 2005; Cayman Net News, 17 October 2005; "National consensus for the future of education in the Cayman Islands", report by the National Education Conference, October 2005.
- ⁴⁹ Cayman Net News, 29 June 2004, www.caymannetnews.com.
- ⁵⁰ Cayman Net News, 12 April 2005; 15 August 2005.
- ⁵¹ Cayman Net News, 18 March 2005 and 19 July 2005; Caribbean Net News, 25 November 2005.
- ⁵² Infrastructure Recovery, www.caymanprepared.ky.
- ⁵³ www.cia.gov.



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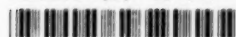
Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Falkland Islands (Malvinas)

Working paper prepared by the Secretariat

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I. General

1. The Falkland Islands (Malvinas)¹ is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory comprises two large islands, known as East and West Falkland, as well as some 200 smaller islands, and has a total area of about 12,173 km² (4,700 square miles). The Territory is situated in the South Atlantic, about 770 kilometres north-east of Cape Horn and about 480 km east of the South American mainland. South Georgia, located about 1,300 km south-east of the Falkland Islands (Malvinas) group, and the South Sandwich Islands, located about 750 km east-south-east of South Georgia, are considered a separate Territory and are administered from the Falkland Islands (Malvinas); the Governor of the Falkland Islands (Malvinas) acts concurrently as Commissioner for South Georgia and the South Sandwich Islands. According to the 2001 census, the population of the Territory is 2,391 (not including an estimated 112 residents temporarily absent and 534 civilians working in conjunction with the Ministry of Defence), up from 2,221 in 1996. A new census will be taken in October 2006.

II. Constitutional and political developments

2. Detailed information on the Constitution and Government of the Falkland Islands (Malvinas) is contained in the 2001 working paper prepared by the Secretariat (A/AC.109/2001/11).

3. On 17 November 2005, general elections were held for all eight members of the Legislative Council, five from the Stanley constituency and three from the Camp (i.e. outside Stanley), for a four-year term. A review of the Constitution is ongoing. A new Governor, Alan Huckle, is due to replace Howard Pearce in the summer of 2006.

4. On 10 June 2005, the Government of Argentina issued the following press communiqué:

"On 10 June, the 'Day of Affirmation of Argentine Rights over the Malvinas Islands and the Antarctic Sector', the Argentine nation commemorates the creation in 1829 of the Political and Military Command for the Malvinas Islands and islands adjacent to Cape Horn in the Atlantic Ocean, through a decree issued by Brigadier Martin Rodriguez, acting Governor of Buenos Aires province.

"Since its inception as an independent nation, the Argentine Republic has demonstrated, through various acts of Government, its firm political will to exercise effective sovereignty over the southern territories and maritime areas that it inherited from Spain.

"Through this act the Government of Argentina reaffirmed its legitimate titles over the Islands and sought to ensure respect of the laws so as to protect without any discrimination the activities of the Argentine and non-Argentine population that resided on the Islands. Thus, the institutional framework was established for the subsequent undertakings of the Governor of the Malvinas Islands, D. Luis Vernet.

"This effective exercise of sovereignty was interrupted on 3 January 1833, when British forces occupied the Malvinas Islands, expelling the Argentine population and authorities settled there and replacing them with others of British origin.

"The people and Government of Argentina never consented to that act of force and today, as in the past, they confirm their permanent and unwavering determination to regain the exercise of sovereignty over the Malvinas Islands, South Georgia and South Sandwich Islands and the surrounding maritime areas, through the peaceful path of diplomatic negotiations and in accordance with the many appeals of the international community.

"Argentina's claim has traditionally been supported by the countries of our region and by major international and regional organizations, including the General Assembly of the United Nations and the General Assembly of the Organization of American States. These forums have repeatedly called on the Governments of the Argentine Republic and the United Kingdom to resume negotiations with a view to resolving the sovereignty dispute in a peaceful and conclusive manner.

"On this important date, the Argentine Government reiterates its unwavering sovereignty claim over the Malvinas Islands, South Georgia and South Sandwich Islands and the surrounding maritime areas. At the same time, it reaffirms its permanent willingness to resume negotiations with a view to settling as soon as possible and in a just and conclusive manner the still unresolved sovereignty dispute."

5. The position of the United Kingdom is that it has no doubts about its sovereignty over the Falkland Islands (Malvinas), South Georgia and the South Sandwich Islands and their surrounding maritime areas. There can be no negotiations on the sovereignty of the Falkland Islands (Malvinas) unless and until such time as the Falkland Islanders so wish.

6. In a letter dated 10 May 2005 from the Permanent Representative of Argentina to the United Nations addressed to the Secretary-General (A/60/76), the Permanent Representative requested the circulation of three notes as documents of the General Assembly concerning item 23 of the agenda of the sixtieth session of the Assembly (Question of the Falkland Islands (Malvinas): the note of 20 April 2005 from the Embassy of Argentina to the European Union in Brussels addressed to the Permanent Mission of Luxembourg in its capacity as President of the Council of the European Union (annex I); the note of the same date addressed to the President of the European Commission (annex II); and the note of the Ministry for Foreign Affairs, International Trade and Worship of 6 May 2005 addressed to the Embassy of the United Kingdom of Great Britain and Northern Ireland in Buenos Aires (annex III). In those notes, the Government of Argentina protested the inclusion of the Falkland Islands (Malvinas), South Georgia and the South Sandwich Islands and the "British Antarctic Territory" in part III, title IV, annex II, of the Treaty establishing a Constitution for Europe, signed on 29 October 2004. They further noted that the inclusion of those territories in the Treaty in no way affected the sovereignty and jurisdiction of the Argentine Republic over those territories.

7. In a letter dated 7 June 2005 from the Permanent Representative of the United Kingdom to the United Nations (A/59/843), the Permanent Representative requested

the circulation to the General Assembly of a letter presented to the Argentine Ministry for Foreign Affairs. In that letter, the Government of the United Kingdom rejected the protest of the Government of Argentina, noting that the inclusion of the Falkland Islands (Malvinas), South Georgia and the South Sandwich Islands and the British Antarctic Territory in the Treaty establishing a Constitution for Europe "simply confirms the present position with regard to the status of these British Overseas Territories". The note further stated that the United Kingdom "has no doubts about its sovereignty over the Falkland Islands, South Georgia and the South Sandwich Islands, the British Antarctic Territory and their surrounding or adjacent maritime areas".

8. In his annual Christmas radio message to the Islanders, Prime Minister Tony Blair reiterated the British Government's support for the Islanders' right to self-determination and its "continued commitment to upholding the Islands' security and the United Kingdom's sovereignty over the Falkland Islands".² He stated that the United Kingdom would continue to work for productive dialogue with Argentina on issues of mutual interest not least "in order to enhance future security and prosperity" for the Falkland Islands (Malvinas).³

9. In a letter dated 3 January 2006 from the Permanent Representative of Argentina to the United Nations addressed to the Secretary-General (A/60/647), the Permanent Representative transmitted the text of a statement issued on that date by the Government of Argentina "on the occasion of another anniversary of the illegitimate British occupation of the Malvinas Islands".

10. In a letter dated 31 March 2006 from the Permanent Representative of the United Kingdom to the United Nations addressed to the Secretary-General (A/60/743), the Permanent Representative transmitted the text of a statement issued on that date by the Government of the United Kingdom rejecting the "claim by the Government of Argentina to sovereignty over those islands and areas and that the Falkland Islands are under illegal occupation by the United Kingdom".

III. Mine clearance

11. On 11 October 2001, the Governments of the Argentine Republic and the United Kingdom concluded an agreement, covered by the formula on sovereignty, for carrying out a feasibility study on the clearance of landmines in the Falkland Islands (Malvinas), to fulfil the obligations undertaken by both countries in the Ottawa Convention of 1997. The Joint Argentine-British Working Party, established by the agreement, held its third meeting in Buenos Aires on 27 and 28 April 2005, its fourth meeting in London on 7 and 8 July 2005, its fifth meeting in Buenos Aires from 4 to 6 October 2005, its sixth meeting in London from 21 to 23 November 2005 and its seventh meeting in Buenos Aires from 27 to 29 March 2006. The Joint Working Party continued its consideration of the overall aims of the feasibility study, its technical and financial aspects, as well as management issues.

12. In February 2005, it was reported that a fact-finding team composed of representatives of the United Kingdom Ministry of Defence and the Department for International Development and Landmine Action, a not-for-profit company, had visited the Falkland Islands (Malvinas). Landmine Action has indicated that 16,600 mines remain in the Islands, distributed in 101 minefields. The team will submit a report to the United Kingdom Government on its findings.⁴ Under the 1997 Ottawa

Convention, the United Kingdom Government is obliged to clear the Falkland Islands (Malvinas) mines by March 2009.

IV. Economic conditions

A. General

13. According to the administering Power, the pace of economic development has accelerated dramatically since 1982. This rapid growth resulted initially from the influx of British Government aid and, subsequently, from the development of fisheries. The size of the fisheries revenues and their subsequent investment have enabled improvements to be made in the infrastructure and the promotion of tourism and other enterprises which will help to diversify the economy.⁵ In addition, since its formation in 1984, the Falkland Islands Development Corporation has been encouraging the development of a private sector.

B. Public finance

14. The Territory's financial year runs from 1 July to 30 June. According to the administering Power, for the 2004/05 period, the revised estimate for total revenue was 44.3 million British pounds (£), of which £13.7 million came from fisheries. Other sources of revenue include investment income (£9.4 million) and taxation (£7.9 million). During the same period, the original estimate for total expenditure was £41 million.

C. Agriculture, land tenure and livestock

15. Detailed information on agriculture, land tenure and livestock is contained in the 2001 working paper prepared by the Secretariat (A/AC.109/2001/11). According to the administering Power, the Falkland Islands Meat Company processed 21,466 sheep in 2004 and 23,200 sheep in 2005 and is aiming to be a strong distributor of premium organic lamb by 2010.

D. Fisheries

16. *Loligo* and *Illex* squid are the mainstay of the territorial fisheries and economy. In addition to the two squid species, a number of finfish are targeted, including southern blue whiting, hake and hoki. The Fisheries Department is responsible for administering the fishery. The 2005 *Loligo* squid catch of 58,700 tons was described as a "reasonable year" by Falkland Islands Fisheries Department Director, John Barton, with the average falling at 42,000 tons, and the highest since 2000, when 64,930 tons were caught.⁶

17. According to the administering Power, a major review of fisheries policy began in 2002 and culminated in the enactment of the Fisheries (Conservation and Management) Ordinance 2005.⁷ The Legislative Council passed the Fisheries Bill on 26 August 2005. It is expected to be implemented on 1 July 2006. This bill added property rights to fisheries and "updated the law to reflect developments that will

stimulate the modernization of the fishing industry and the promotion of economic growth".⁸ Also according to the administering Power, the most significant outcomes were the introduction of property rights in the fisheries and the enhancement of existing conservation measures. The current system of allocation of non-transferable, variable duration licences to individual vessels is to be replaced by a system of long-term individual transferable rights owned by Falkland Islanders.

18. According to the administering Power, the Ordinance made provision for international cooperation in relation to information exchange and combating illegal, unregulated and unreported fishing activities. It formalized existing procedures whereby any fishing vessel official "blacklisted" by the Commission for the Conservation of Antarctic Marine Living Resources or other regional fisheries management organization would not be authorized to fish in Falkland Islands (Malvinas) waters. Information, including evidentiary material, could be exchanged with other countries in support of the objectives of the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas (November 1993) and the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (December 1995).

19. Subsequent to the adoption of the Ordinance in October, the Argentine Government submitted a protest letter to the Government of the United Kingdom, regarding the illegitimate and unilateral adoption of the new fisheries policy in the waters surrounding the Falkland Islands (Malvinas) in violation of United Nations resolutions (see A/60/527). The letter, *inter alia*, states that this unilateral action by the United Kingdom was not compatible with the provisions of resolution 31/49, which calls upon the two parties to refrain from taking decisions that would imply introducing unilateral modifications in the situation while the islands are going through the process recommended by the General Assembly in its relevant resolutions.

20. In a letter to the Argentine Ministry of Foreign Affairs, the United Kingdom firmly rejected the "Argentine protest concerning the Falkland Islands' fisheries legislation and reiterated that the Falkland Islands Government was entitled to adopt whatever measures it considered necessary to conserve, manage and exploit fish stocks within its waters". Moreover, it expressed its disappointment that this matter was "affecting the level of Argentine cooperation on the conservation of fisheries resources under the South Atlantic Fisheries Commission, which [was] in the mutual interests of all parties".

21. In this connection, it is recalled that, by a Joint Statement of 28 November 1990, Argentina and the United Kingdom established the South Atlantic Fisheries Commission, which has met regularly and worked since then for the conservation of fisheries resources in that area.

22. In July 2005, the 27th meeting of the South Atlantic Fisheries Commission was held in London. The British delegation was led by Tony Crombie, the head of the Overseas Territories Department of the Foreign and Commonwealth Office. The Argentine delegation was led by Ambassador Eduardo Airaldi, head of the Malvinas and South Atlantic Department of the Ministry of Foreign Affairs. In a joint press statement, both delegations agreed that the formula on sovereignty over the Falkland Islands (Malvinas), South Georgia and the South Sandwich Islands and the

surrounding maritime areas, contained in paragraph 2 of the joint declaration issued in Madrid on 19 October 1989, applied to the meeting and its results.

23. Both delegations reaffirmed the importance they attached to ensuring the sustainability of fish stocks and reiterated the commitment of both Governments to the conservation of the fish and squid stocks of the south-west Atlantic. They recommended to both Governments the continuation of further scientific research in order to achieve greater understanding of the most significant offshore species in the area.

24. With respect to *Illex* squid, both delegations reaffirmed their support to the early warning system. The Commission agreed that, in the light of the 2005 season, the very precautionary approach it had previously agreed upon should be continued. The Commission therefore agreed to recommend to both Governments that every effort be made to maintain sufficient levels of *Illex* spawning stock during future seasons in order to maintain stock sustainability. They further agreed that there was an urgent need for scientific research aimed at establishing the appropriate levels of spawning stock biomass.

25. Recalling the Commission's concerns about the importance of achieving sustainability in the southern blue whiting fishery, the Commission noted that current analysis indicated that the decline in stock size had been arrested. However, those results were subject to a considerable level of uncertainty. Given the need to maintain a precautionary approach to that important fishery, the Commission agreed that further scientific investigation was required to clarify uncertainty in the status of that stock.

26. The Commission agreed to recommend that an ad hoc scientific meeting should be held in the near future to discuss the objectives and design of the future southern blue whiting survey.

27. The Argentine delegation reiterated its rejection of the announced British measures on fisheries matters. In response, the United Kingdom delegation rejected the Argentine position.

28. The Argentine delegation reiterated its concern about the situation created by the British decision with respect to the area described in the annex to the Joint Statement of 28 November 1990 and to the area west of it. It expressed the hope of the Argentine Government that the matter be resolved. The British delegation reiterated its position.

29. On 6 December 2005, the 28th meeting of the South Atlantic Fisheries Commission was held in Buenos Aires. According to the Argentine Ministry of Foreign Affairs, "there was no agreement with the British delegation on adopting the agenda proposed by Argentina with the purpose of analysing the South Atlantic Fisheries Commission mandate and how it has been affected by a prolonged list of unilateral British decisions". Argentina argued that the fisheries' legislation constituted "an illicit and unilateral long-term disposal of fishing resources that are subject to a sovereignty dispute and would have a severe negative impact on cooperation within the South Atlantic Fisheries Commission. Argentina further noted that those unilateral measures were incompatible with the bilateral understandings on cooperation for the conservation of fish stocks and did not correspond with the spirit of cooperation which prevailed within the South Atlantic

Fisheries Commission and undermined the mutual trust required in matters of cooperation in conservation of fish stocks.⁹

30. According to the administering Power, a United Kingdom delegation attended the 28th meeting of the South Atlantic Fisheries Commission, where the Argentine Government proposed an agenda that, in the view of the United Kingdom Government, exceeded the mandate of the Commission. The United Kingdom delegation indicated that it was prepared to discuss the wider mandate of the Commission at a separate meeting.

31. The Government of the United Kingdom maintains that recent changes in the fisheries licensing regime in the Falkland Islands were made for important conservation reasons. That was an internal matter for the Falkland Islands (Malvinas). The South Atlantic Fisheries Commission mandate has no competence over the internal licensing regime of the Falkland Islands.

E. Tourism

32. There has been significant expansion of the Falkland Islands (Malvinas) tourist industry in recent years. The United Kingdom is currently the principal market, but the Falkland Islands Tourist Board, a department of the Falkland Islands Development Corporation, has focused efforts on developing new contacts with tour operators in the United States and Europe. According to the administering Power, the Falkland Islands (Malvinas) aim to increase the number of visitors arriving via South America, using the weekly LanChile service from Chile. It was reported that more than 1,200 visitors from overseas had travelled around the Islands on land tours in 2004. Those figures were boosted by cruise ship visits of nearly 50,000 passengers and crew.

33. In October 2005, the Falkland Islands Development Board agreed to allocate £40,000 to the Tourist Accommodation Improvement Scheme, a programme designed to encourage tourism operators to improve accommodation to internationally accepted standards.¹⁰

F. Transport, communications and other basic facilities

34. Detailed information on transport, communications and other basic facilities is contained in the 2001 working paper prepared by the Secretariat (A/AC.109/2001/11).

35. During the period under review, LanChile continued to provide regular round-trip service from Punta Arenas, Chile, to the Falkland Islands (Malvinas), including two monthly stopovers in Rio Gallegos, Argentina, one in each direction, in accordance with the provisions of the Joint Statement of 14 July 1999 between Argentina and the United Kingdom. That service is carried out in the framework of commercial air agreements between Argentina and Chile. The Exchange of Notes Agreement of 23 February 2001 between Argentina and the United Kingdom placed private navigation and private aerial navigation between Argentina and the Falkland Islands (Malvinas) under a formula of sovereignty. Thus, Argentina considers and authorizes non-regular flights to the Falklands (Malvinas) on a case-by-case basis.

36. As from 3 November 2003, Argentina does not authorize non-regular flights between third countries and the Falkland Islands (Malvinas) by any company flying under a third country flag. That position does not affect the continuation of the above-mentioned regular service and does not apply to emergency situations or health evacuation flights.

37. In late 2003 and the first quarter of 2004, Argentina and the United Kingdom exchanged views on the Argentine proposal aimed at the establishment of direct regular air service between Argentina and the Falkland Islands (Malvinas). The United Kingdom stated that any arrangements would need to be acceptable to the islanders. No agreement between Argentina and the United Kingdom has been reported to date.

38. With regard to intra-island transport, the Falkland Islands Development Board has been holding discussions with Island Shipping Ltd for a possible ferry to Falkland Sound. The project cost is estimated at £20,000.¹¹ Talks are also being held with Island Shipping Ltd for an East-West ferry that would start service in May 2006. The service is aimed at 60 people from the West, representing 27 farms.¹²

G. Banking

39. Both British and local coinage is used, together with local currency notes. There is parity between United Kingdom and Falkland Islands (Malvinas) currency. The Standard Chartered Bank of the United Kingdom operates a branch in Stanley.

H. Public works

40. The Public Works Department of the territorial Government is responsible for road-building projects, municipal services, construction projects and supplying water and electricity to the residents of Stanley.

V. Social conditions

A. General

41. According to the administering Power, the Territory observes the principles contained in the Universal Declaration of Human Rights. The provisions of the European Convention for the Protection of Human Rights and Fundamental Freedoms have been extended to the Falkland Islands (Malvinas) by the administering Power. Furthermore, the United Kingdom has extended the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights to the Territory and observes the regular reporting procedures under those instruments. The common law of England applies in the Falkland Islands (Malvinas), except insofar as it is inconsistent with any enactment of the law applying to the Falkland Islands (Malvinas). There is no discrimination on the basis of sex in the implementation of articles 2 and 3 of the International Covenant on Civil and Political Rights. The Convention on the Elimination of All Forms of Discrimination against Women has been applied by the United Kingdom in the Falkland Islands (Malvinas), with the agreement of the territorial Government.

42. According to the Government of Argentina, those declarations by the United Kingdom regarding the Falkland Islands (Malvinas), South Georgia and the South Sandwich Islands were rejected by the Government of Argentina by its declarations of 3 October 1983 and 8 August 1986 on the International Covenant on Economic, Social and Cultural Rights, of 3 October 1983, 8 August 1986 and 5 October 2000 on the International Covenant on Civil and Political Rights, of 4 April 1989 on the Convention on the Elimination of All Forms of Discrimination against Women and of 18 January 2005 on the Optional Protocol to the Convention on the Elimination of all Forms of Discrimination against Women.

B. Public health

43. The general state of health in the Falkland Islands (Malvinas) is good. There is no private system of medical care. Medical and dental treatments and prescription drugs are free to all residents and to United Kingdom citizens under a reciprocal health agreement. All medical services are based at the King Edward VII Memorial Hospital in Stanley, which provides a full range of primary-care services to the civilian population, military personnel stationed in Stanley and foreign fishing fleets around the Islands. In addition, there is a visiting medical service to outlying farm settlements. The Hospital has facilities to deal with acute medical and surgical conditions. It has 28 beds, including two maternity and two intensive care beds. Cases requiring specialist attention are first stabilized and then evacuated to the United Kingdom or Chile, or in emergencies, to Uruguay. According to the administering Power, the estimated expenditure for health and social services in 2004/05 was £6 million, up from £5.5 million in 2002/03.¹³

C. Social security and welfare

44. The Falkland Islands Retirement Pensions Ordinance provides for mandatory fixed monthly contributions by all employers and employees between the ages of 17 and 64. Implementation of the Falkland Islands Pension Scheme Ordinance 1997 commenced during 1998. That scheme provides a national defined contribution vehicle through which employers, self-employed individuals and other individuals within the Falkland Islands (Malvinas) can make contributions under employer-employee agreements or voluntarily during their working lives and receive a pension upon retirement. A system of social welfare grants and pensions is in operation to deal with hardship and disability cases.

D. Education

45. Education in the Falkland Islands (Malvinas) is free and compulsory for all children between the ages of 5 and 16. The local Government provides staff, equipment and supplies for education, has a primary and a secondary school in Stanley and operates four small settlement schools on large farms. In the rural areas, younger children either attend the settlement schools or are visited by one of six travelling teachers for two weeks of every six. There are also radio and telephone lessons available. Students above the age of 16 who qualify in exams are funded for studies in the United Kingdom. According to the administering Power, in 2005,

there were 423 schoolchildren being educated in the Falkland Islands (Malvinas) and 53 being educated in the United Kingdom. The illiteracy rate of the total population aged 20 years and over was estimated to be 0.5 per cent.

VI. Participation in international organizations and arrangements

46. The Government of the Falkland Islands (Malvinas) participates in activities of the Commonwealth and is a member of the United Kingdom Overseas Territories Association. Representatives of the Government have participated, as members of the United Kingdom delegation, in discussions on matters affecting their interests, such as those leading to the Joint Statement of 14 July 1999.

47. In its letter of 14 November 2005 to the Secretary-General, the Government of Argentina rejected the declaration made by the United Kingdom extending the territorial scope of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction to the Falkland Islands (Malvinas).

VII. Consideration by the United Nations

A. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

48. The Special Committee considered the question of the Falkland Islands (Malvinas) at its 8th meeting, on 15 June 2005. At that meeting, the Special Committee decided to accede to the request of Argentina, Brazil, Ecuador, Guatemala, Paraguay, Peru and Uruguay to participate in the consideration of the item. At the same meeting, in accordance with a previous decision taken by the Special Committee at its 5th and 7th meetings, statements were made by Councillors John Birmingham and Stephen C. Luxton of the Legislative Council of the Falkland Islands (Malvinas). James Douglas Lewis and Luis Gustavo Vernet also made statements (see A/AC.109/2005/SR.8).

49. Also at the same meeting, the representative of Chile, on behalf of the Bolivarian Republic of Venezuela, Bolivia and Cuba, introduced a draft resolution on the item (A/AC.109/2005/L.8). The draft resolution reiterated that the way to put an end to the special and particular colonial situation in the question of the Falkland Islands (Malvinas) was the peaceful and negotiated settlement of the dispute over sovereignty between the Governments of Argentina and the United Kingdom. It requested both parties to consolidate the current process of dialogue and cooperation through the resumption of negotiations in order to find a solution, in accordance with the provisions of the relevant General Assembly resolutions.

50. At the same meeting, the Minister for Foreign Affairs, International Trade and Worship of Argentina, Rafael Bielsa, stated, *inter alia*:

"The Malvinas Islands question that summons us today, is a special and particular colonial question, as recognized by this Committee. Its special

nature derives from the fact that the United Kingdom occupied the Islands by force in 1833, ousted the Argentine population and authorities established on the islands and did not allow them to return, replacing them with settlers of British origin.

"Then, as now, Argentina did not consent to these acts of force that gave rise to the Malvinas question and began to make repeated claims for their restitution. The mere passage of time does not generate rights either in favour of a colonial Power occupying foreign territories or in favour of its subjects settled down there in the way that I have described, regardless of the name that the colonial Powers may give to those territories.

"The specificity of the Malvinas question is legally and politically enshrined in resolution 2065 (XX), adopted 40 years ago by a large majority of the General Assembly and reiterated in many other resolutions. It defines the question as a sovereignty dispute between the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland over the Malvinas Islands, which must be solved through negotiations between both States, taking into account the provisions and objectives of the United Nations Charter and of resolution 1514 (XV).

"Moreover resolution 2065 (XX) expressly establishes that both parties should give due consideration to the interests of the inhabitants of the Malvinas Islands. This means, among other things, respect for their properties and their culture, that is to say, for their way of life. This excludes from the question the principle of self-determination, which is only applicable to subjugated or dominated peoples and not to the descendants of a population transferred by the occupying Power. This was the view taken by the General Assembly in 1985 when it expressly rejected two amendments proposed by the United Kingdom to include that principle in the draft resolution on the Malvinas question.

...

"However, we recall that the principle of territorial integrity, as established in resolution 1514 (XV), adopted by the General Assembly, is to be applied to this question. In paragraph 6 it states that 'any attempt aimed at the partial or total disruption of the national unity and the territorial integrity of a country is incompatible with the purposes and principles of the Charter of the United Nations'.

"The recovery of full sovereignty, while respecting the way of life of the inhabitants of the Islands, in accordance with international law, is a principle laid down in the Argentine Constitution.

"In his inaugural address to Congress on 1 March 2005, President Néstor Kirchner stressed the Argentine Government's firm commitment to recover full sovereignty over the Malvinas, South Georgia and the South Sandwich Islands and the surrounding maritime spaces, stating that this permanent position is a State policy and responds to a collective yearning of the people of our nation.

"The international community, together with the General Assembly of the United Nations and this very Committee, have made repeated calls urging

the Argentine Republic and the United Kingdom to resume negotiations on sovereignty without delay. In this regard, I wish to recall the resolutions and statements issued by the Organization of American States, the Ibero-American summits, MERCOSUR and the Third South American Summit in 2004, the Third Summit South American-Arab countries, held in Brasilia on 11 May 2005, and more recently the one adopted by the Rio Group on the occasion of the twelfth Ministerial Meeting of the Rio Group-European Union, held in Luxembourg on 27 May 2005, to mention but a few.

"My Government has explicitly repeated its willingness to negotiate. However, despite these calls from the international community, the United Kingdom refuses to resume bilateral negotiations on sovereignty and delays and hinders the decolonization process to which this Committee is devoted.

"With a view to resuming negotiations on sovereignty with the United Kingdom, the Argentine Government and the Government of the United Kingdom have, since 1989, adopted different ad hoc understandings of a provisional nature under the sovereignty formula on practical questions concerning the geographical area of the dispute. ...

"My Government has applied these understandings, contributing in a spirit of cooperation to create a situation favourable to the bilateral treatment of the sovereignty dispute, in other words, to resume negotiations towards achieving a final, fair and peaceful solution to the dispute. For that reason, these understandings cannot be assumed to be the acceptance of any claimed status quo in the area of dispute, nor can they be a substitute for a definitive solution to the question.

"Despite my Government's willingness, I must once more point out that the United Kingdom continues to carry out unilateral actions which are contrary to the spirit of cooperation expressed in the provisional understandings. They violate General Assembly resolution 31/49, which urges the parties to refrain from introducing unilateral modifications in the situation while the Islands are going through the process of decolonization.

"The Argentine Government has permanently protested and rejected British unilateral actions concerning the territory under dispute. Over this last year they have included seismic prospecting for hydrocarbons, the granting of licences for exploration and exploitation of minerals and activities associated with aeromagnetic prospecting, the continuous sale of fishing licences in the area under dispute, policing of fisheries in the South Atlantic, British reluctance to advance in confidence-building measures in the military sphere and the continued presence of the British military base in the Malvinas Islands with operational capacity beyond the disputed area.

"The Congress of Argentina is deliberating on some legislative measures addressed to minimize the negative effects to the Argentine interests caused by illegal permits to carry out hydrocarbon-related activities in the disputed area, issued by the illegitimate authorities in the Islands.

"Furthermore, we could add to the British unilateral actions the attempts by the United Kingdom to try to assert an international presence for the Malvinas Islands as a separate entity from our country and to grant the so-called "Island Government" a status which it does not have, and the extension

of international conventions to the disputed area. This has occurred, among other things, with the recent inclusion of the Malvinas Islands, South Georgia and the South Sandwich Islands in the text of the Constitutional Treaty of the European Union.

“These unilateral actions by the British are manifestly contrary to the provisions of General Assembly resolutions and must cease” (see A/AC.109/2005/SR.8).

51. At the same meeting, the representatives of the Bolivarian Republic of Venezuela, Brazil (on behalf of the Rio Group), Bolivia, China, Cuba, Grenada, Indonesia, Paraguay (on behalf of the MERCOSUR countries and Bolivia, Chile and Peru), Peru, the Russian Federation, Sierra Leone, the Syrian Arab Republic, the United Republic of Tanzania and Uruguay made statements (see A/AC.109/2005/SR.8).

B. Position of the Government of Argentina

52. On 14 September 2005, the President of Argentina addressed the General Assembly. During the course of his statement, he, inter alia, exhorted the United Kingdom to promptly respond to the call of the international community to resume negotiations.

53. The Foreign Minister of Argentina reiterated this position in his address to the General Assembly on 18 September 2005.

C. Position of the administering Power

54. By a letter dated 16 September 2005, addressed to the President of the General Assembly (A/60/361), the Permanent Representative of the United Kingdom stated the position of his Government in reply to the remarks of the President of Argentina in his address to the General Assembly on 14 September 2005:

“The British Government attaches great importance to the principle of self-determination as set out in Article 1.2 of the Charter of the United Nations and article 1 of the International Covenant on Civil and Political Rights. That principle underlies our position on the Falkland Islands.

“The elected representatives of the Falkland Islands once again expressed their own views clearly when they visited the United Nations for this year’s debate in the Committee of 24. They asked the Committee to recognize that they, like any other people, were entitled to exercise the right of self-determination. They reiterated that the people of the Falkland Islands did not wish for any change in the status of the Islands.

“There can be no negotiations on the sovereignty of the Falkland Islands unless and until such time as the islanders so wish.

“The United Kingdom has no doubts about its sovereignty over the Falkland Islands.”

D. Contributions by other Member States

55. On 11 October 2005, during the debate on decolonization issues in the Fourth Committee of the General Assembly, several representatives referred to the question of the Falkland Islands (Malvinas). The representative of Uruguay, speaking on behalf of the States members and the associated States of the Southern Common Market (MERCOSUR) (Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay), expressed hope for the resumption of negotiations between Argentina and the United Kingdom on that issue, which was one of sovereignty over the Islands. It was further noted that although MERCOSUR supported the principle of self-determination, it was not applicable in that case, given that the issue was one of territorial integrity. He also reiterated the terms of the declarations on the question of the Falkland Islands (Malvinas) adopted by the meetings of the Presidents of the MERCOSUR countries and its associated States (Bolivia and Chile) in 1996, in Potrero de los Funes, Argentina, and in 1999, in Asuncion, reaffirming the legitimate rights of Argentina in the sovereignty dispute over the Falkland Islands (Malvinas). The representatives of the Bolivarian Republic of Venezuela, China, Cuba and Indonesia reiterated the support of their Governments for the legitimate right of Argentina in the sovereignty dispute over the Falkland Islands (Malvinas).

56. The representative of the United Kingdom, in exercise of the right of reply, said that his country's position had been set out in detail in document A/60/361 (see para. 54 above).

E. Action taken by the General Assembly

57. By adopting its resolution 58/316, the General Assembly decided that the item entitled "Question of the Falkland Islands (Malvinas)" would remain on the agenda for consideration upon notification by a Member State. As at the date of the issuance of the present report, there had been no such notification by a Member State to the fifty-ninth or sixtieth sessions of the General Assembly.

F. Consideration by other intergovernmental organizations and international forums

58. On 7 June 2005, the General Assembly of the Organization of American States (OAS), adopted a Declaration on the Question of the Malvinas Islands (Falkland Islands) (resolution AG/DEC.44 (XXXV-O/05)), in which, inter alia, it welcomed the reaffirmation of the will of the Argentine Government to continue exploring all possible avenues towards a peaceful settlement of the dispute and its constructive approach towards the inhabitants of the Malvinas Islands (Falkland Islands). It reaffirmed the need for the Government of Argentina and the United Kingdom to begin negotiations on the sovereignty dispute as soon as possible, in order to find a peaceful solution to that protracted controversy. The Assembly of OAS decided to continue to examine the question of the Malvinas Islands (Falkland Islands) at its subsequent sessions, until a definitive settlement has been reached thereon.

59. Speaking before the OAS Assembly, the Minister for Foreign Affairs, International Trade and Worship of Argentina stated:

"The 'question of the Malvinas Islands', which this Organization has declared to be of permanent interest to the hemisphere, needs to be dealt with and discussed until a definitive solution is achieved. The Governments of the Argentine Republic and the United Kingdom must resume negotiations on sovereignty with a view to achieving a peaceful settlement of the dispute.

"In his inaugural address to Congress on March 1, 2005, President Néstor Kirchner reaffirmed once again the willingness of our Government to pursue dialogue and the resumption of negotiations on this issue so as to end the colonial situation that damages the territorial integrity and the national unity of the Argentine Republic. ..."

60. The position of the United Kingdom with regard to the consideration of the question of the Falkland Islands (Malvinas) by OAS was stated in a note verbale dated 4 June 2004 from the Permanent Observer Mission of the United Kingdom to OAS addressed to the Chairman of the Permanent Council of OAS. Referring to the Declaration on the Question of the Falkland Islands (Malvinas) adopted by the General Assembly of OAS, the Permanent Observer stated that:

"The United Kingdom's position was last set out in detail by the United Kingdom's Permanent Representative to the United Nations, Sir Emyr Jones Parry, in a written right of reply dated 30 September 2003 to the statement made by President Néstor Carlos Kirchner of the Argentine Republic in the United Nations General Assembly on 25 September 2003. Our position was also set out in my letter of 12 February 2004 to the Chairman of the Permanent Council in Washington. I am confident that this matter will not inhibit fruitful cooperation on the remaining issues on the agenda of the thirty-fourth regular session of the General Assembly of the Organization of American States.

"The United Kingdom has no doubt about its sovereignty over the Falkland Islands, South Georgia and the South Sandwich Islands and their surrounding maritime areas."

61. On 27 May 2005, the Ministers of the Rio Group, on the occasion of the twelfth Ministerial Meeting of the Rio Group — European Union, held in Luxembourg, issued a statement on the question of the Malvinas Islands. In that statement, they reaffirmed their support for the legitimate rights of Argentina in the sovereignty dispute over the Falkland Islands (Malvinas) with the United Kingdom. They recalled that the Governments of Argentina and the United Kingdom should resume negotiations in order to reach as soon as possible a fair, peaceful and lasting solution to the sovereignty dispute over the Falkland Islands (Malvinas), South Georgia and the South Sandwich Islands and the surrounding maritime areas, in accordance with the relevant resolutions and declarations of the United Nations and the Organization of American States. They also expressed their concern with regard to the inclusion of the Falkland Islands (Malvinas), South Georgia and the South Sandwich Islands in part III, title IV, annex II, of the Treaty establishing a Constitution for Europe.

62. On 16 June 2005, the Second South Summit of the Group of 77, held in Doha, adopted a Declaration which stated, *inter alia*:

"We reaffirm the need for the Governments of the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland to resume negotiations in accordance with the principles and the objectives of the United Nations Charter and the relevant resolutions of the General Assembly, in order to find, as soon as possible, a peaceful

solution to the sovereignty dispute relating to the 'Question of the Malvinas Islands', which seriously damages the economic capacities of the Argentine Republic. ..."

63. On 15 October 2005, the Heads of State and Government of the Ibero-American countries, assembled in Salamanca, Spain, on the occasion of the Fifteenth Ibero-American Summit, issued a special communiqué on the question of the Malvinas Islands (see A/60/447, enclosure) in which they:

"reaffirm the need for the Governments of the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland to renew negotiations as soon as possible with a view to finding an early resolution to the sovereignty dispute relating to the Malvinas Islands in accordance with the resolutions of the United Nations and the Organization of American States and the purposes and principles of the Charter of the United Nations, including the principle of territorial integrity."

64. Declarations on the question of the Falkland Islands (Malvinas) were also adopted by the Ministerial Council of the Latin American Integration Association at its meeting, held in Montevideo on 12 May 2005, and the Summit of South American-Arab countries, held in Brasilia on 11 May 2005. Those declarations supported the Argentine position regarding the inclusion of the Falkland Islands (Malvinas), South Georgia and the South Sandwich Islands in the Treaty establishing a Constitution for Europe.

Notes

¹ The information contained in the present paper has been derived from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations on 12 January 2006, as well as from official documents of the Government of Argentina.

² *MercoPress*, 24 December 2005.

³ *Ibid.*

⁴ *MercoPress-Falklands Malvinas and South Atlantic News*, 23 February 2005.

⁵ Information received from the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations on 12 January 2006.

⁶ *MercoPress*, 6 October 2005.

⁷ Information received from the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations on 12 January 2006.

⁸ *Penguin News*, 2 September 2005.

⁹ Argentina press release, 6 December 2005, *Penguin News*, 9 December 2005; *MercoPress*, 7 and 9 December 2005.

¹⁰ *Penguin News*, 21 October 2005.

¹¹ *Ibid.*, 21 October 2005.

¹² *Ibid.*, 18 November 2005.

¹³ Information received from the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations on 12 January 2006.